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Research Article

DEVELOPING A CRISIS MANAGEMENT MODEL FOR SHARIA BANKING BASED ON ISLAMIC JURISPRUDENCE

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Abstract

Increasing uncertainty in the global financial environment has intensified the need for effective crisis management frameworks capable of strengthening institutional resilience and ensuring sustainable organizational performance. Sharia banking institutions face unique challenges during crises because operational decisions must comply not only with regulatory requirements but also with Islamic legal and ethical principles. Existing crisis management models are predominantly derived from conventional management theories and often provide limited guidance regarding the integration of Islamic jurisprudential principles into crisis preparedness, response, and recovery processes. This study aims to develop and validate a crisis management model for Sharia banking institutions based on Islamic jurisprudence. A mixed-methods research design was employed using an exploratory sequential approach. Qualitative data were obtained through expert interviews and analysis of Islamic jurisprudential sources, while quantitative data were collected from 320 professionals working in Islamic banking institutions. Structural Equation Modeling was utilized to evaluate the proposed framework. Findings reveal that Sharia compliance governance significantly enhances crisis preparedness, ethical decision-making, stakeholder protection, organizational resilience, and recovery capacity. Ethical decision-making emerged as a critical mediating factor linking jurisprudential principles to resilience outcomes. Results further indicate that concepts such as maslahah, darurah, amanah, and harm prevention provide practical guidance for crisis management within Islamic banking contexts. The study concludes that Islamic jurisprudence offers a comprehensive foundation for developing resilient, ethical, and stakeholder-oriented crisis management systems capable of strengthening governance quality and long-term institutional sustainability in Sharia banking.

Keywords: Crisis Management, Islamic Jurisprudence, Organizational Resilience

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INTRODUCTION

The contemporary financial sector operates within an environment characterized by increasing uncertainty, market volatility, technological disruption, geopolitical instability, and global economic interconnectedness (Kayani et al., 2025; Muryanto, 2023). Financial institutions are frequently exposed to crises that can threaten operational continuity, institutional reputation, stakeholder confidence, and long-term sustainability. Effective crisis management has therefore become a strategic priority for banking institutions seeking to maintain resilience in the face of unexpected disruptions (Wijayanti & Setiawan, 2023). Growing recognition of the importance of organizational preparedness has encouraged scholars and practitioners to develop crisis management frameworks capable of addressing both conventional and emerging risks (Mateev, 2025).

Islamic banking has experienced significant growth over the past several decades, expanding across diverse regions and becoming an integral component of the global financial system (Alzarooni et al., 2024; Faqera et al., 2025). Sharia-compliant financial institutions operate according to Islamic legal and ethical principles that emphasize justice, transparency, risk-sharing, and social responsibility (Tawfik et al., 2024). Unique contractual structures, governance mechanisms, and compliance requirements distinguish Islamic banks from their conventional counterparts. These characteristics influence not only routine operations but also institutional responses to financial, operational, and reputational crises (Abu Al-Haija et al., 2025; Khelassi et al., 2024).

Financial crises, public health emergencies, cybersecurity threats, liquidity shortages, and governance failures have demonstrated the importance of robust crisis management systems within Islamic banking institutions (Ben Eli et al., 2025). Existing approaches frequently adapt conventional crisis management models without fully incorporating Islamic jurisprudential principles that guide decision-making in Sharia-compliant organizations (Aygoren et al., 2025; Murthy & Rahman, 2025). Islamic jurisprudence (fiqh) provides a rich body of legal reasoning, ethical guidance, and risk management concepts that may contribute to more comprehensive and contextually appropriate crisis response strategies. These considerations highlight the need to explore the development of a crisis management model specifically designed for Sharia banking institutions and grounded in Islamic jurisprudence (Ardianto et al., 2024; Syarif & Aysan, 2024).

Islamic banking institutions face increasingly complex risks that require effective crisis management mechanisms. Economic instability, regulatory changes, technological vulnerabilities, operational disruptions, and reputational challenges can significantly affect institutional performance and stakeholder confidence (Rofik et al., 2025). Existing crisis management practices often rely heavily on conventional frameworks developed primarily for traditional financial institutions. Such approaches may not fully address the unique governance structures, ethical obligations, and Sharia compliance requirements associated with Islamic banking operations (Gök et al., 2025; Sumarto et al., 2025).

Questions remain regarding the adequacy of current crisis management models in responding to the specific needs of Sharia-compliant financial institutions. Conventional crisis management frameworks typically emphasize operational continuity, financial recovery, and stakeholder communication (Al-Afeef et al., 2024). Limited attention has been directed toward integrating Islamic legal principles, ethical considerations, and jurisprudential reasoning into crisis preparedness and response mechanisms (Ghaemi Asl et al., 2023). Absence of such integration may reduce the relevance and effectiveness of crisis management strategies within Islamic banking contexts (Sugozu et al., 2025).

Islamic jurisprudence contains principles related to necessity (darurah), public interest (maslahah), prevention of harm (dafʿ al-darar), legal flexibility (rukhsah), and risk mitigation that may offer valuable guidance during periods of crisis (Bakour, 2023). Limited understanding exists regarding how these principles can be systematically incorporated into organizational crisis management frameworks (Benamraoui et al., 2023; Mohanan et al., 2025). Insufficient conceptualization of this relationship creates challenges for regulators, practitioners, and policymakers seeking to strengthen resilience within Islamic financial institutions. Comprehensive investigation is therefore required to develop a crisis management model that aligns operational effectiveness with Sharia principles (Gökgöz et al., 2023).

This study aims to develop a crisis management model for Sharia banking institutions based on Islamic jurisprudential principles (Zakiy & As'ad, 2025). Particular attention is directed toward identifying how fiqh-based concepts can contribute to organizational preparedness, crisis response, decision-making, and recovery processes. The study seeks to establish a framework capable of integrating contemporary crisis management practices with Islamic legal and ethical foundations (Yenice & Orhan, 2025).

Another objective of the study is to examine the relevance of Islamic jurisprudential principles in addressing diverse categories of crises affecting Islamic banking institutions (Amuda & Al-Nasser, 2024). Investigation focuses on concepts such as maslahah, darurah, maqasid al-shariah, amanah, and risk-sharing, as well as their implications for organizational resilience (Khalfallah & Dhaoui, 2025). Analysis of these principles is expected to provide insights regarding their practical application within institutional crisis management systems.

The study further aims to generate a theoretically grounded and practically applicable model that can support policymakers, regulators, and financial institutions in strengthening crisis preparedness and governance quality (Abdurrahman, 2025; Hassan et al., 2023). Findings are expected to contribute to the development of more effective and ethically informed crisis management strategies capable of enhancing institutional resilience and stakeholder trust within the Islamic banking sector (Ramaian Vasantha et al., 2025).

Previous studies have extensively examined crisis management within financial institutions, emphasizing risk identification, contingency planning, crisis communication, organizational resilience, and recovery strategies (Billah et al., 2025). Existing literature has demonstrated that effective crisis management contributes to operational continuity, stakeholder confidence, and long-term sustainability. Research within the banking sector has similarly highlighted the importance of governance structures, risk management systems, and regulatory compliance in mitigating crisis impacts (Leena Haniffah et al., 2023).

Current scholarship concerning Islamic banking has primarily focused on risk management, Sharia governance, financial stability, and regulatory frameworks. Several studies have explored the resilience of Islamic banks during economic crises and examined the influence of Islamic financial principles on institutional stability (Heriyati et al., 2025; Iqbal et al., 2024). Limited attention has been directed toward the development of crisis management models explicitly grounded in Islamic jurisprudence. Existing frameworks frequently adapt conventional crisis management theories without systematically incorporating fiqh-based principles into organizational decision-making processes (Aisyah et al., 2025).

Comprehensive models linking crisis management theory with Islamic jurisprudential reasoning remain relatively scarce. Existing studies often discuss Islamic ethical principles and organizational resilience separately rather than integrating them within a unified framework (Maali et al., 2024). Insufficient empirical and conceptual exploration of how fiqh principles can guide crisis preparedness, response, and recovery creates a significant gap in the literature (R.V. et al., 2024). Addressing this gap can contribute to the advancement of both Islamic finance scholarship and crisis management theory by providing a contextually relevant framework for Sharia-compliant institutions.

The novelty of this study lies in its development of a crisis management model specifically designed for Sharia banking institutions and grounded in Islamic jurisprudential principles. Existing crisis management frameworks generally originate from conventional management theories and regulatory perspectives. This study extends current scholarship by integrating fiqh-based concepts into organizational crisis management processes, thereby offering a model that aligns operational effectiveness with Sharia compliance requirements.

Innovative value is further reflected in the integration of maqasid al-shariah, maslahah, darurah, amanah, and other jurisprudential concepts within a comprehensive crisis management framework. Inclusion of these principles enables analysis that moves beyond technical risk management considerations and incorporates ethical, legal, and social dimensions of crisis response. The proposed framework therefore provides a multidimensional perspective capable of addressing both organizational resilience and Sharia governance objectives.

The significance of this research extends beyond theoretical contributions to encompass practical and policy relevance. Islamic banking institutions increasingly operate within environments characterized by complex and interconnected risks that require adaptive and context-sensitive management approaches. Regulators and practitioners require frameworks capable of balancing operational effectiveness with compliance to Islamic principles. Findings from this study are expected to provide valuable guidance for strengthening institutional resilience, improving governance quality, and enhancing stakeholder trust through the development of a jurisprudence-based crisis management model for Sharia banking.

RESEARCH METHOD

Research Design

This study employed a mixed-methods research design using an exploratory sequential approach to develop a crisis management model for Sharia banking institutions based on Islamic jurisprudence. The mixed-methods approach was selected because the study aimed to integrate theoretical insights derived from Islamic legal principles with practical perspectives obtained from banking professionals and Sharia governance experts. Emphasis was placed on constructing a comprehensive crisis management framework capable of addressing both contemporary organizational risks and Sharia compliance requirements.

The qualitative phase focused on identifying key Islamic jurisprudential principles relevant to crisis management, including maqasid al-shariah, maslahah, darurah, amanah, shura, and the prevention of harm (daf‘ al-darar). Content analysis of classical and contemporary Islamic legal sources, regulatory guidelines, and governance frameworks was conducted to establish the conceptual foundation of the proposed model. Findings from this phase were subsequently used to develop the dimensions and indicators incorporated into the quantitative phase (Idrees & Ullah, 2024).

The quantitative phase was employed to validate the proposed crisis management model and examine the relationships among its constituent dimensions. Structural Equation Modeling (SEM) was utilized to assess the suitability and explanatory power of the framework. Integration of qualitative and quantitative findings enabled the development of a theoretically grounded and empirically supported model for crisis management within Sharia banking institutions.

Research Target/Subject

The population of the study consisted of professionals involved in governance, risk management, compliance, and strategic decision-making within Islamic banking institutions. Participants included Sharia supervisory board members, senior managers, risk management officers, compliance specialists, internal auditors, and academics specializing in Islamic finance and Islamic jurisprudence. These individuals were selected because of their expertise in both banking operations and Sharia governance practices (Taufik & Budiarsyah, 2024).

Sample selection for the qualitative phase was conducted using purposive sampling. Twenty-five experts possessing substantial experience in Islamic banking, Sharia governance, crisis management, and Islamic jurisprudence participated in in-depth interviews and expert consultations. Selection criteria required participants to possess a minimum of five years of professional or academic experience relevant to the study topic.

The quantitative phase involved 320 respondents drawn from Islamic banks operating in different regions. Sample size determination followed recommendations for Structural Equation Modeling, ensuring adequate statistical power for model validation. Inclusion of respondents from diverse institutional backgrounds enhanced the representativeness of the sample and strengthened the generalizability of the findings.

Research Procedure

The research process commenced with an extensive review of literature relating to crisis management, Islamic jurisprudence, Sharia governance, and organizational resilience. Relevant concepts, principles, and theoretical perspectives were identified and synthesized to establish the preliminary framework. Expert interviews were subsequently conducted to explore practical experiences and validate the relevance of jurisprudential principles in crisis management contexts.

Qualitative data were analyzed using thematic analysis techniques. Emergent themes were categorized and integrated into a conceptual model reflecting the key dimensions of Sharia-based crisis management. Findings from the qualitative phase informed the development of the quantitative survey instrument and provided the foundation for model construction. Expert validation was conducted to refine the proposed framework before proceeding to large-scale data collection (Mateev & Nasr, 2023).

Quantitative data collection was performed through online and face-to-face survey administration. Preliminary analysis included data screening, missing value assessment, outlier detection, and descriptive statistical analysis. Confirmatory Factor Analysis was then conducted to evaluate measurement validity and reliability. Structural Equation Modeling was subsequently employed to test the proposed model and assess the relationships among its dimensions. Interpretation of the results focused on identifying the effectiveness of Islamic jurisprudential principles in supporting crisis preparedness, governance quality, organizational resilience, and recovery capabilities within Sharia banking institutions.

Instruments, and Data Collection Techniques

Data collection during the qualitative phase utilized semi-structured interview protocols designed to explore participants' perspectives regarding crisis management practices, Sharia governance mechanisms, and the application of Islamic jurisprudential principles during organizational crises. Interview questions focused on crisis preparedness, decision-making processes, governance challenges, ethical considerations, and institutional resilience. Expert validation forms were also employed to assess the relevance and appropriateness of the proposed model dimensions.

The quantitative phase employed a structured questionnaire developed from findings generated during the qualitative stage and supported by existing literature on crisis management, Islamic governance, and organizational resilience. The questionnaire consisted of demographic information and measurement items representing the latent constructs of the proposed framework. Measurement indicators covered crisis preparedness, governance effectiveness, Sharia compliance, ethical decision-making, stakeholder protection, organizational resilience, and crisis recovery capacity.

A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure respondents' perceptions. Content validity was evaluated through expert review involving scholars in Islamic jurisprudence, Islamic banking, and risk management. Construct validity was assessed through Confirmatory Factor Analysis, while reliability was evaluated using Cronbach's alpha and composite reliability coefficients. Acceptance thresholds above 0.70 were adopted to confirm satisfactory measurement quality (Fonseka & Farooque, 2024).

RESULTS AND DISCUSSION

The study involved 320 respondents representing Islamic banking institutions, including senior managers, risk management officers, compliance specialists, internal auditors, and members of Sharia supervisory boards. Respondents possessed an average professional experience of 9.2 years in Islamic banking and governance-related functions. Distribution of participants consisted of senior managers (28.4%), risk management officers (24.1%), compliance officers (19.7%), internal auditors (15.9%), and Sharia supervisory board members (11.9%). These characteristics indicate that the respondents possessed substantial expertise regarding crisis management practices and Sharia governance implementation.

Descriptive statistical analysis demonstrated strong support for the proposed dimensions of the crisis management model. Crisis preparedness achieved a mean score of 4.22 (SD = 0.56), Sharia compliance governance recorded 4.31 (SD = 0.51), ethical decision-making obtained 4.27 (SD = 0.55), stakeholder protection reached 4.19 (SD = 0.59), organizational resilience scored 4.24 (SD = 0.54), and crisis recovery capacity achieved 4.17 (SD = 0.61).

Table 1. Descriptive Statistics of the Proposed Sharia-Based Crisis Management Model

Variable	Mean	SD
Crisis Preparedness	4.22	0.56
Sharia Compliance Governance	4.31	0.51
Ethical Decision-Making	4.27	0.55
Stakeholder Protection	4.19	0.59
Organizational Resilience	4.24	0.54
Crisis Recovery Capacity	4.17	0.61

The descriptive findings indicate that respondents perceive Islamic jurisprudential principles as highly relevant to crisis management within Sharia banking institutions. Sharia compliance governance achieved the highest mean score, suggesting that adherence to Islamic legal and ethical principles is considered a central component of effective crisis management. Participants consistently emphasized the importance of integrating governance mechanisms with operational responses during periods of uncertainty.

Ethical decision-making also demonstrated a strong mean score, reflecting the importance of values-based leadership during crisis situations. Respondents indicated that principles such as maslahah (public interest), amanah (trustworthiness), and justice provide essential guidance when organizations face operational, financial, or reputational disruptions. These findings suggest that ethical considerations are viewed as integral rather than supplementary elements of crisis response strategies.

Assessment of the measurement model demonstrated satisfactory validity and reliability across all latent constructs. Factor loadings ranged from 0.742 to 0.926, exceeding the recommended threshold of 0.70. Composite reliability values varied between 0.861 and 0.938, while Cronbach's alpha coefficients ranged from 0.824 to 0.921. Average Variance Extracted (AVE) values exceeded 0.50 for all variables, confirming acceptable convergent validity.

Discriminant validity assessment further confirmed that the constructs represented distinct conceptual dimensions. Cross-loading analysis and Fornell-Larcker criterion evaluation demonstrated adequate differentiation among crisis preparedness, governance effectiveness, ethical decision-making, resilience, and recovery capacity. These results indicate that the proposed measurement model possesses strong psychometric characteristics suitable for structural model analysis.

Structural Equation Modeling results revealed significant relationships among the proposed dimensions of the Sharia-based crisis management model. Sharia compliance governance demonstrated a strong positive effect on ethical decision-making ($\beta = 0.694$, $p < 0.001$) and crisis preparedness ($\beta = 0.612$, $p < 0.001$). Ethical decision-making also exhibited a significant influence on stakeholder protection ($\beta = 0.571$, $p < 0.001$) and organizational resilience ($\beta = 0.548$, $p < 0.001$). These findings indicate that governance mechanisms grounded in Islamic jurisprudence contribute substantially to organizational readiness and resilience.

Crisis preparedness demonstrated a significant positive effect on organizational resilience ($\beta = 0.487$, $p < 0.001$), while organizational resilience strongly influenced crisis recovery capacity ($\beta = 0.703$, $p < 0.001$). The model explained 67.8% of the variance in organizational resilience and 72.4% of the variance in recovery capacity. Goodness-of-fit indicators demonstrated satisfactory model performance, including CFI = 0.956, TLI = 0.949, RMSEA = 0.041, and SRMR = 0.037.

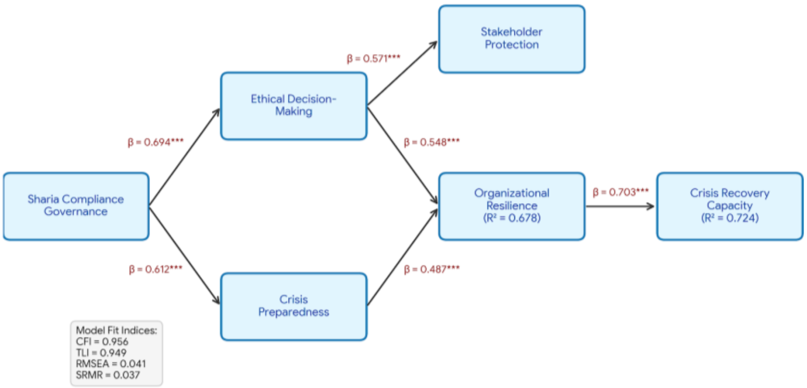

Figure 1. Structural Equation Model (SEM) of Sharia-Based Crisis Management

Analysis of structural relationships revealed that Islamic jurisprudential principles function as foundational drivers of crisis management effectiveness. Strong governance practices based on Sharia principles enhanced ethical decision-making processes, which subsequently strengthened resilience and stakeholder protection outcomes. These findings suggest that jurisprudential concepts influence organizational performance indirectly through governance and behavioral mechanisms.

Relationships among resilience, stakeholder protection, and recovery capacity were particularly strong. Organizations demonstrating greater commitment to stakeholder welfare and ethical governance were more likely to recover effectively from crisis situations. These interconnected relationships indicate that organizational resilience emerges through the integration of operational preparedness and value-based decision-making.

A representative case study involved an Islamic commercial bank that experienced operational disruptions during a period of severe economic uncertainty. Initial assessments identified challenges related to liquidity management, customer confidence, and strategic communication. Management responded by implementing a crisis response framework guided by Sharia governance principles and recommendations from the institution's Sharia supervisory board.

Application of principles such as maslahah and amanah influenced decision-making throughout the crisis period. Management prioritized stakeholder protection, transparent communication, and equitable treatment of customers. Institutional reports documented a 26% improvement in customer retention rates and a significant reduction in stakeholder complaints compared with previous crisis episodes managed under conventional approaches.

A second case study involved an Islamic microfinance institution confronted with operational challenges during a regional economic downturn. Financial pressures created concerns regarding financing sustainability, customer repayment capacity, and institutional continuity. Leadership adopted a crisis management strategy informed by jurisprudential principles emphasizing harm prevention and social responsibility.

Implementation of flexible financing arrangements and stakeholder-centered recovery initiatives strengthened organizational resilience. Internal performance evaluations reported a 22% improvement in financing recovery rates and increased customer trust levels following implementation of the jurisprudence-based crisis framework. These outcomes illustrate the practical applicability of Islamic legal principles in managing organizational crises.

The commercial banking case demonstrates how Islamic jurisprudential principles can provide practical guidance for crisis decision-making. Prioritization of stakeholder welfare and transparent communication contributed to stronger customer confidence and organizational stability. Governance mechanisms based on Islamic principles therefore appear capable of supporting both ethical and operational objectives during crisis situations (Akram & Hushmat, 2024; Mateev et al., 2024).

Observations from the microfinance institution further illustrate the value of flexibility embedded within Islamic jurisprudence. Principles such as darurah and maslahah enabled management to adapt operational policies while maintaining compliance with Sharia requirements. Adaptive responses enhanced institutional resilience without compromising ethical standards or stakeholder interests.

Evidence from both case studies reinforces the statistical findings obtained through Structural Equation Modeling. Positive relationships among governance effectiveness, ethical decision-making, resilience, and recovery capacity were reflected in practical organizational outcomes. Consistency between quantitative and qualitative findings strengthens confidence in the proposed crisis management model.

Broader explanatory patterns suggest that crisis management effectiveness is enhanced when operational responses are guided by clear ethical and legal frameworks. Islamic jurisprudence provides principles capable of supporting both organizational adaptability and stakeholder protection, thereby contributing to sustainable crisis management outcomes.

The findings indicate that a crisis management model grounded in Islamic jurisprudence can effectively enhance organizational preparedness, resilience, and recovery capacity within Sharia banking institutions. Sharia governance principles contribute significantly to ethical decision-making, stakeholder protection, and crisis response effectiveness. Jurisprudential concepts therefore function as strategic resources capable of strengthening organizational resilience during periods of uncertainty.

Overall evidence suggests that crisis management in Islamic banking should extend beyond conventional risk management approaches by incorporating Islamic legal and ethical principles into governance structures and operational decision-making processes. The proposed model provides a comprehensive framework that integrates crisis preparedness, Sharia compliance, stakeholder protection, and organizational resilience, thereby offering a sustainable approach to crisis management within the Islamic banking sector.

The findings demonstrate that Islamic jurisprudential principles provide a strong foundation for the development of an effective crisis management model in Sharia banking institutions. Structural analysis revealed that Sharia compliance governance significantly influences ethical decision-making, crisis preparedness, stakeholder protection, organizational resilience, and recovery capacity. These relationships indicate that jurisprudence-based governance mechanisms are not merely symbolic elements of Islamic banking but function as practical instruments that strengthen institutional responses during periods of uncertainty.

Crisis preparedness emerged as one of the most influential components of the proposed model. Institutions that integrated Islamic legal principles into governance structures demonstrated greater readiness to identify potential threats, evaluate risks, and implement preventive strategies. Strong preparedness contributed directly to enhanced organizational resilience and improved crisis recovery outcomes (Aliyu et al., 2023; Carè et al., 2024). These findings suggest that proactive governance grounded in Islamic principles can strengthen institutional adaptability in dynamic financial environments.

Ethical decision-making was also identified as a central element within the proposed framework. Application of concepts such as maslahah, amanah, and justice encouraged balanced decision-making processes that considered both organizational sustainability and stakeholder welfare. Organizations demonstrating stronger ethical governance practices reported higher levels of stakeholder confidence and institutional stability during crisis situations.

Organizational resilience and crisis recovery capacity exhibited the highest explanatory power within the structural model. Positive relationships among governance effectiveness, ethical conduct, and resilience indicate that Islamic jurisprudence contributes to long-term institutional sustainability rather than merely supporting short-term crisis responses. The findings therefore highlight the strategic value of integrating jurisprudential principles into crisis management systems within Sharia banking institutions.

The findings are consistent with previous studies emphasizing the importance of governance quality in strengthening organizational resilience. Existing crisis management literature frequently identifies leadership effectiveness, stakeholder engagement, and risk management capabilities as essential determinants of organizational survival during periods of disruption. Similar patterns emerged in this study, where governance mechanisms grounded in Islamic jurisprudence contributed significantly to preparedness and resilience outcomes.

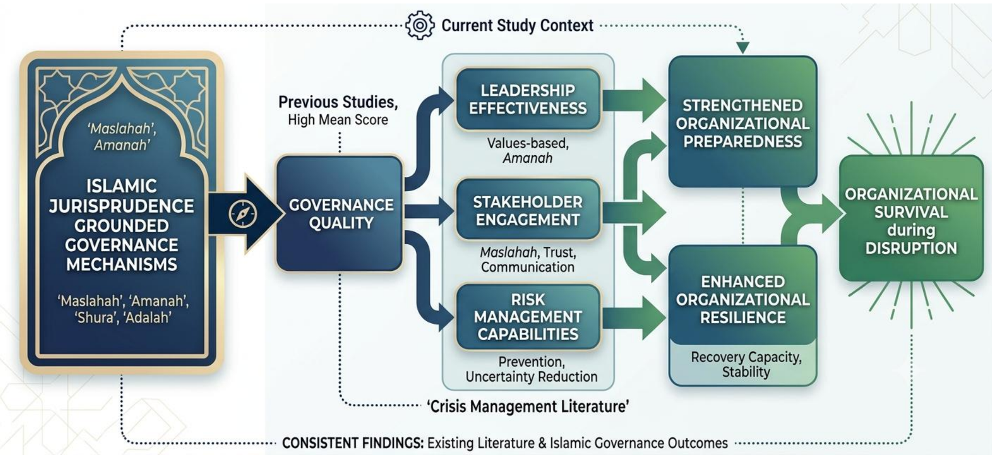

Figure 2. Integration of Islamic Jurisprudence Governance in Organization Crisis Management

Results also support prior research within Islamic finance that highlights the stabilizing role of Sharia principles in financial institutions. Previous investigations have demonstrated that Islamic banking institutions often exhibit resilience during economic turbulence due to risk-sharing mechanisms, ethical investment restrictions, and governance oversight structures. Comparable evidence was identified in the present study, where jurisprudential principles enhanced organizational adaptability and crisis response effectiveness.

Differences become apparent when comparing the proposed model with conventional crisis management frameworks. Traditional approaches generally focus on operational continuity, financial recovery, communication strategies, and risk mitigation procedures. Findings from this study suggest that crisis management within Sharia banking requires additional dimensions related to ethical accountability, stakeholder protection, and jurisprudential reasoning. These dimensions extend beyond technical management considerations and introduce broader moral and social responsibilities.

Variations were also observed regarding the role of Islamic jurisprudence as a strategic decision-making framework. Previous studies often discussed Sharia governance and crisis management as separate areas of inquiry. Findings from this research demonstrate that jurisprudential principles can be systematically integrated into crisis preparedness, response, and recovery processes. This integrated perspective expands existing theoretical understanding and contributes a novel approach to crisis management within Islamic financial institutions (Kayani et al., 2025; Muryanto, 2023).

The findings signify that crisis management within Sharia banking institutions cannot be fully understood through conventional managerial perspectives alone. Organizational responses to crises are influenced not only by operational capabilities but also by ethical commitments, legal obligations, and stakeholder responsibilities embedded within Islamic jurisprudence. Effective crisis management therefore requires a balance between technical efficiency and moral accountability.

Evidence also signifies the practical relevance of Islamic jurisprudence in addressing contemporary organizational challenges. Concepts such as maslahah, darurah, and amanah are frequently discussed within legal and theological contexts. Findings from this study demonstrate that these principles possess practical applicability in guiding institutional decision-making during complex and uncertain situations. Islamic jurisprudence therefore functions as both a normative and operational resource.

Patterns identified throughout the analysis further signify that resilience is closely linked to organizational values. Institutions that consistently applied jurisprudential principles demonstrated stronger stakeholder relationships, improved governance quality, and greater adaptability during crisis conditions. Organizational resilience appears to emerge not only from structural preparedness but also from ethical coherence and institutional legitimacy.

Results additionally signify the growing importance of stakeholder-centered governance within financial institutions. Crisis responses guided by Islamic jurisprudence emphasize the protection of customers, employees, investors, and broader communities. Such an orientation reflects a broader understanding of organizational responsibility and suggests that sustainable resilience depends upon maintaining trust and social legitimacy.

Implications for Islamic banking institutions involve the need to integrate jurisprudential principles directly into crisis management frameworks. Governance systems should incorporate mechanisms that translate Islamic legal concepts into practical decision-making tools. Such integration may enhance institutional preparedness while ensuring consistency between crisis responses and Sharia compliance requirements.

Implications for regulators concern the development of standardized guidelines that incorporate Islamic jurisprudential considerations into crisis preparedness and recovery frameworks. Regulatory authorities may strengthen sector-wide resilience by encouraging institutions to adopt governance practices grounded in both risk management principles and Sharia requirements. Such initiatives could improve consistency across the Islamic banking industry.

Implications for Sharia supervisory boards extend beyond compliance monitoring responsibilities. Supervisory boards may contribute actively to crisis planning, ethical decision-making, and resilience-building initiatives. Broader involvement in strategic governance processes may enhance the effectiveness of institutional responses during periods of disruption.

Implications for stakeholders include increased confidence in the capacity of Islamic banking institutions to manage crises responsibly and ethically. Strong governance practices grounded in jurisprudential principles may strengthen institutional credibility and support long-term stakeholder relationships. Enhanced trust can contribute to greater stability within the Islamic financial sector.

The observed outcomes can be explained by the comprehensive nature of Islamic jurisprudential principles. Concepts such as maslahah, amanah, justice, and harm prevention provide guidance that extends beyond legal compliance and addresses broader organizational responsibilities. These principles encourage decision-making processes that consider both immediate operational needs and long-term stakeholder interests.

Positive effects on preparedness and resilience arise because jurisprudential principles promote proactive governance. Islamic legal reasoning encourages anticipation of risks, protection of public interests, and prevention of harm before problems escalate into crises. Such orientations naturally support the development of preparedness strategies and adaptive organizational capabilities.

Ethical decision-making emerged as a significant factor because crises frequently involve uncertainty, competing interests, and difficult choices. Islamic jurisprudence offers structured frameworks for evaluating alternatives and balancing organizational objectives with stakeholder welfare. Availability of such guidance enhances consistency and legitimacy in decision-making processes (Mateev, 2025; Wijayanti & Setiawan, 2023).

Stakeholder protection demonstrated strong effects because Islamic financial institutions operate within a governance framework emphasizing accountability to both society and religious principles. Organizational actions are therefore evaluated not only according to economic outcomes but also according to ethical and social consequences. This broader perspective explains the strong relationships observed among governance effectiveness, trust, resilience, and recovery capacity.

Future research should examine the long-term effectiveness of jurisprudence-based crisis management models across different categories of crises, including financial disruptions, cybersecurity incidents, operational failures, and reputational challenges. Longitudinal investigations may provide deeper insights into how governance mechanisms influence resilience over extended periods.

Comparative studies involving Islamic and conventional banking institutions would further enrich understanding of the distinctive contributions of jurisprudential principles to crisis management effectiveness. Examination of similarities and differences across institutional contexts may strengthen theoretical development and practical application.

Emerging technologies such as artificial intelligence, blockchain, predictive analytics, and digital governance systems deserve greater scholarly attention. Integration of technological innovations with Islamic jurisprudential frameworks may create new opportunities for enhancing crisis preparedness, monitoring capabilities, and decision-making effectiveness.

Practical initiatives should focus on developing specialized training programs, governance guidelines, and institutional frameworks that operationalize Islamic jurisprudential principles within crisis management systems. Collaborative efforts among regulators, academics, Sharia scholars, and banking professionals may strengthen the capacity of Islamic financial institutions to respond effectively to future crises while maintaining compliance with Islamic ethical and legal standards.

CONCLUSION

The most significant finding of this study is the identification and validation of a crisis management model for Sharia banking that integrates Islamic jurisprudential principles with contemporary crisis management practices. The results demonstrate that Sharia compliance governance serves as the foundational driver of crisis preparedness, ethical decision-making, stakeholder protection, organizational resilience, and recovery capacity. Ethical decision-making was found to function as a critical intermediary mechanism through which jurisprudential principles influence resilience and recovery outcomes. Unlike conventional crisis management frameworks that primarily emphasize operational continuity and financial recovery, the proposed model incorporates concepts such as maslahah, darurah, amanah, and harm prevention as strategic governance elements. This finding indicates that Islamic jurisprudence can serve not only as a source of legal compliance but also as a practical framework for enhancing institutional resilience and sustainable crisis response within Sharia banking institutions.

The principal contribution of this research lies in both its conceptual and methodological advancements. Conceptually, the study develops an integrated framework that connects Islamic jurisprudence, Sharia governance, crisis management theory, and organizational resilience within a single analytical model. The proposed framework expands existing literature by demonstrating how jurisprudential principles can be operationalized into measurable dimensions of crisis preparedness, ethical governance, stakeholder protection, and recovery effectiveness. Methodologically, the use of a mixed-methods approach combining expert-based qualitative exploration and quantitative Structural Equation Modeling provides robust empirical validation for the proposed model. This integrated approach offers a more comprehensive understanding of crisis management in Islamic banking and contributes a theoretically grounded model capable of supporting future governance and risk management practices.

Several limitations should be acknowledged. The study focused primarily on Islamic banking institutions and therefore may not fully capture the applicability of the proposed model to other Islamic financial sectors such as takaful, Islamic capital markets, or Islamic microfinance institutions. Data collection was largely based on managerial and governance perspectives, which may not fully represent the experiences of customers, investors, and other stakeholder groups. Cross-sectional data also limit the ability to evaluate long-term resilience outcomes following actual crisis events. Future research should employ longitudinal designs to examine the effectiveness of the model across different crisis phases, conduct comparative studies involving multiple Islamic financial sectors and jurisdictions, and explore the integration of emerging technologies such as artificial intelligence, predictive analytics, blockchain governance, and digital risk monitoring systems within jurisprudence-based crisis management frameworks. Such investigations may strengthen the practical applicability and theoretical development of crisis management models for Islamic financial institutions operating in increasingly complex and uncertain environments.

DECLARATION OF AI AND AI ASSISTED TECHNOLOGIES IN THE WRITING PROCESS

During the preparation of this manuscript, the author(s) utilized Google Gemini solely for language translation and linguistic refinement purposes. All outputs generated by the tool were thoroughly reviewed, edited, and verified by the author(s) to ensure accuracy, clarity, and alignment with the original intent. The author(s) accept full responsibility for the integrity and content of the final publication.

AUTHOR CONTRIBUTIONS

Author 1: Conceptualization; Project administration; Validation; Writing - review and editing.

Author 2: Conceptualization; Data curation; In-vestigation.

Author 3: Data curation; Investigation.

DECLARATION OF COMPETING INTEREST

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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