

Islamic Leadership in Digital Workplaces: A Narrative Review

Ahmad Setiawan, Bobby Setiawan, Afri Syahputra, Aris Budiman Perangin Angin, Hasrul Yusuf Hasibuan,
Sri Rahayu*

Faculty of Economics & Business, Universitas Islam Sumatera Utara, Medan, Indonesia
Sisingamangaraja Street, No. 34, Teladan Village, Medan Kota District, Medan City, North Sumatra 20216, Indonesia
Email: ¹wawancode808@gmail.com, ²bobbysetiawan.lubis@gmail.com, ³afriboysoe2@gmail.com, ⁴aris.perangin@gmail.com,
⁵yusufhasrule@gmail.com, ^{6,*}sri.rahayu@fe.uisu.ac.id
Correspondence Author Email: sri.rahayu@fe.uisu.ac.id

Submitted: 01/06/2026; Accepted: 12/06/2026; Published: 30/06/2026

Abstract—Digital transformation has changed organizational structures, work processes, and leadership practices, thus driving the emergence of *the digital workplace* as an increasingly dominant work model in modern organizations. While digital transformation provides benefits in the form of increased flexibility, productivity, and collaboration, it also presents various challenges related to employee well-being, digital trust, ethical decision-making, and the use of artificial *intelligence*. Previous research has largely discussed digital leadership and workplace transformation, but studies that integrate Islamic leadership values in the digital workplace are still relatively limited. Therefore, this study aims to review and synthesize the literature on the role of Islamic Leadership in *the digital workplace*. This study uses the Narrative Literature Review approach by analyzing 15 selected articles published in the 2020–2025 period. Data were obtained through literature searches on Google Scholar, Scopus, Web of Science, Emerald Insight, ScienceDirect, and SpringerLink databases. Data analysis was conducted using thematic narrative synthesis techniques to identify key themes, theoretical debates, and research gaps. The results of the study show five dominant themes, namely digital workplace transformation, digital leadership capabilities, employee engagement and well-being, ethical challenges in an artificial intelligence-based work environment, and Islamic Leadership as an ethical framework. This study concludes that Islamic Leadership values, namely *amanah*, *adl*, *shura*, *ihsan*, and *mas'uliyah*, can be an important foundation in strengthening ethical governance, increasing employee trust, and supporting organizational sustainability in the era of digital transformation.

Keywords: Islamic Leadership; Digital Workplace; Digital Leadership; Employee Welfare; Digital Transformation

1. INTRODUCTION

Digital transformation has become one of the key forces changing the way organizations operate, communicate, and create value in the modern business environment. Technological developments such as artificial intelligence (AI), big data analytics, cloud computing, Internet of Things (IoT), and digital collaboration platforms have encouraged the emergence of the digital workplace as a new paradigm in organizational management. The digital workplace not only changes work processes, but also redefines the relationship between leaders, employees, and technology in achieving organizational goals (Verma & Singh, 2023). Organizations today are required to be able to integrate digital technology with effective human resource management in order to maintain business competitiveness and sustainability.

These changes are even more evident after the COVID-19 pandemic which accelerated the adoption of technology-based work systems. Hybrid work models, virtual teams, remote collaboration, and AI-enabled workplaces are now an integral part of modern organizational strategies (Kniffin et al., 2021). Although digitalization provides benefits in the form of increased flexibility, efficiency, and productivity, various studies also show the emergence of new challenges such as technostress, digital fatigue, reduced social interaction, decreased employee well-being, and increased reliance on algorithmic systems in organizational decision-making (Wang et al., 2021; Dwivedi et al., 2023).

Leadership is a factor that greatly determines the success of an organization in managing digital transformation. Research by Cortellazzo et al. (2020) shows that digital leadership plays an important role in building a culture of innovation and accelerating technology adaptation. Larjovuori et al. (2022) found that leaders who are able to develop effective digital communication can increase employee engagement in a virtual work environment. However, research by Verma and Singh (2023) shows that the success of the digital workplace is not only influenced by the technological competence of leaders, but also by the ability to build trust and social relationships within the organization.

Interestingly, the literature shows that there are differences in research results regarding the impact of digital leadership. Some studies conclude that digital leadership is able to increase organizational agility and employee engagement (Larjovuori et al., 2022). In contrast, other studies have found that excessive use of digital technology can increase psychological distress, digital supervision, as well as decrease the quality of interpersonal relationships between leaders and employees (Wang et al., 2021). This contradiction shows that the effectiveness of leadership in the digital workplace is not only determined by technological capabilities, but also by the ethical values underlying those leadership practices.

In recent years, the issue of ethical digital leadership has become a major concern in the management literature. The increasing use of AI in organizational processes poses various challenges related to transparency, fairness, accountability, data privacy, and trust in digital systems (Dwivedi et al., 2023). Therefore, organizations need a leadership model that is not only oriented towards technological efficiency, but also able to maintain a balance between digital innovation and human values. One perspective that has the potential to provide solutions to these challenges is

Islamic Leadership. Islamic leadership places the values of amanah, adl, shura, ihsan, and mas'uliyah as the main principles in the decision-making process and management of the organization. In contrast to conventional leadership approaches that are often performance-oriented, Islamic Leadership emphasizes the importance of integrity, justice, social responsibility, and the well-being of all stakeholders (Beekun & Badawi, 2021).

Research by Ali et al. (2022) shows that Islamic Leadership contributes to increased organizational commitment and employee ethical behavior. Hassan et al. (2022) found that Islamic Governance is able to strengthen organizational transparency and accountability. However, most of the research is still conducted in the context of conventional organizations and has not addressed much about the application of Islamic leadership values in a digital work environment characterized by the use of advanced technology and virtual interactions.

Based on the literature review, there are three main gaps. First, digital leadership research is still dominated by the perspective of technology and organizational effectiveness. Second, Islamic Leadership research still focuses on traditional organizations and has not yet accommodated the complexity of the digital workplace. Third, there is still limited research that integrates Islamic Leadership as an ethical foundation in facing the challenges of digitalization, AI-enabled workplace, and employee well-being. The gap points to the need for a more comprehensive synthesis of literature to explain the relevance of Islamic leadership values in a digital work environment.

This study aims to review and synthesize the literature on Islamic Leadership in the digital workplace through the Narrative Literature Review approach. The state of the art of this research lies in the development of the perspective that Islamic Leadership is not only relevant as a value-based leadership model, but also has the potential to be an ethical framework in managing digital workplace challenges such as digital trust, employee well-being, technostress, and human-centered digital transformation. Thus, this research is expected to make a theoretical contribution to the development of digital leadership literature and provide practical implications for organizations in building ethical, adaptive, and sustainable leadership in the era of digital transformation.

2. RESEARCH METHODS

2.1 Research Design

This study uses the Narrative Literature Review (NLR) method to identify, evaluate, and synthesize the development of the literature on Islamic Leadership in the context of the digital workplace. The Narrative Literature Review approach was chosen because it allows the integration of various theoretical and empirical perspectives derived from the fields of leadership, organizational behavior, digital transformation, digital leadership, and Islamic leadership. This method is appropriate for developing a comprehensive conceptual understanding of how Islamic leadership values can contribute to leadership effectiveness in an increasingly complex digital work environment.

2.2 Literature Search Strategy

The literature search was conducted in the January-June 2026 period through the Google Scholar, Scopus, Web of Science, Emerald Insight, ScienceDirect, and SpringerLink databases. The search process used a combination of keywords: "Islamic Leadership", "Digital Leadership", "Digital Workplace", "E-Leadership", "Digital Transformation", "Employee Engagement", "Employee Well-Being", "Ethical Leadership", "AI-Enabled Workplace", "Leadership and Digital Transformation". Boolean operators (AND, OR) are used to increase the relevance of search results. The literature is limited to publications in 2020–2025 to be in line with the latest developments regarding digital transformation and organizational leadership.

2.3 Inclusion and Exclusion Criteria

To ensure the quality and relevance of the articles used, this study applies the inclusion and exclusion criteria as shown in Table 1.

Table 1. Inclusion and Exclusion Criteria

Criteria	Inclusion	Exclusion
Publication Year	2020–2025	Before 2020
Language	English	Non-English
Source Type	Peer-Reviewed Journal Articles	Editorials, Blogs, News Articles
Research Focus	Digital Leadership, Digital Workplace, Islamic Leadership	Unrelated Topics
Accessibility	Full Text Available	Abstract Only
Quality	Indexed Scholarly Sources	Non-Academic Sources

2.4 Literature Selection Process

The initial stage of the search yielded 214 articles. Furthermore, screening was carried out based on titles and keywords so that 102 relevant articles were obtained. The next stage was an abstract evaluation that resulted in 46 articles that corresponded to the focus of the research. After a full-text assessment, as many as 15 articles were selected as core articles because they have direct relevance to digital leadership, digital workplace, and leadership ethics aspects.

Table 2. Literature Selection Process

Selection Stage	Number of Articles
Initial Search Results	214
Title Screening	102
Abstract Screening	46
Full-Text Assessment	24
Final Articles Included	15

2.5 Core Articles Reviewed

Table 3. Core Articles Reviewed in This Study (2020–2025)

No	Authors	Year	Journal	Main Theme
1	Contreras, Baykal, & Abid	2020	Frontiers in Psychology	E-Leadership and Teleworking
2	Kniffin et al.	2021	American Psychologist	Future Workplace Transformation
3	Wang et al.	2021	Applied Psychology	Remote Working and Employee Well-Being
4	Pulido-Martos et al.	2021	Frontiers in Psychology	Teleworking and Personal Resources
5	Coun et al.	2021	Frontiers in Psychology	Leadership and Innovative Work Behavior
6	Larjovuori et al.	2022	Journal of Organizational Change Management	Digital Leadership and Employee Engagement
7	Dwivedi et al.	2023	International Journal of Information Management	Ethical Challenges of AI
8	Verma & Singh	2023	Management Review Quarterly	Digital Workplace Transformation
9	AlNuaimi et al.	2024	Technological Forecasting and Social Change	Digital Leadership and Organizational Performance
10	Stana, Fischer, & Nicolajsen	2024	Digital Leadership Review	Future Research in Digital Leadership
11	Cyfert et al.	2025	Central European Management Journal	Digital Leadership and Digital Transformation
12	Ardika et al.	2025	Journal of Economics and Business Letters	Digital Leadership and Innovative Performance
13	Rumapea	2024	Harmony Society Journal	Digital Leadership and Employee Performance
14	Fitri et al.	2025	Journal of Business Studies and Management Review	Digital Leadership and HR Performance
15	Indarta et al.	2025	Daengku Journal	Bibliometric Trends of Digital Leadership

Source: Compiled by the authors from selected literature (2020–2025).

2.6 Data Analysis Technique

The data was analyzed using the Thematic Narrative Synthesis technique. The analysis process is carried out through four stages. The first stage is data extraction to identify the research objectives, methods, theories, and key findings of each article. The second stage is theme categorization to group articles based on topic similarity. The third stage is cross-study comparison to compare research results and identify patterns of similarities and differences in findings. The fourth stage is conceptual synthesis which is used to develop a conceptual framework regarding the role of Islamic Leadership in the digital workplace.

2.7 Research Framework

The results of the literature review show that the digital workplace presents various challenges such as technostress, digital trust, employee well-being, virtual collaboration, and AI-enabled decision making. At the same time, the digital leadership literature emphasizes the importance of technological adaptability, digital communication, and organizational change management. However, most of the research still focuses on the technical aspects and performance of the organization. This research places Islamic Leadership as an ethical foundation that complements the perspective of digital leadership. The values of amanah, adl, shura, ihsan, and mas'uliyah are seen as able to strengthen trust, employee engagement, ethical decision-making, and organizational sustainability in the digital work environment. Based on this framework, this research develops a conceptual synthesis that connects Digital Workplace, Digital Leadership, and Islamic Leadership as the basis for the formation of ethical, adaptive, and sustainable leadership models in the era of digital transformation.

3. RESULTS AND DISCUSSION

3.1 Overview of Literature Findings

The results of the analysis of fifteen articles that met the selection criteria showed that research on leadership in the digital workplace experienced significant development during the period 2020–2025. Digital transformation has prompted organizations to transform conventional work models into more flexible, digitally connected, and technology-based work environments. The literature reviewed shows that digital workplace issues no longer only focus on the use of technology, but also include aspects of leadership, employee well-being, digital governance, and organizational ethics (Kniffin et al., 2021; Verma & Singh, 2023). The literature synthesis shows that there are five main themes that dominate the research, namely digital workplace transformation, digital leadership capabilities, employee engagement and well-being, ethical challenges in AI-enabled workplaces, and Islamic leadership as an ethical framework. The five themes are interrelated and show that the success of digital transformation is not only determined by technology, but also by the quality of leadership that is able to manage organizational change effectively (Larjovuori et al., 2022; AlNuaimi et al., 2024).

3.2 Digital Workplace Transformation

The digital workplace has become the main characteristic of modern organizations due to the acceleration of digital transformation and changes in post-pandemic work patterns. Kniffin et al. (2021) explain that the use of digital technology allows organizations to maintain productivity through virtual work systems and online collaboration. These changes are driving the emergence of more flexible work models, including hybrid working and remote working which are currently common practices in various industry sectors. Nonetheless, the literature shows that digital transformation does not always produce positive impacts. Wang et al. (2021) found that high work flexibility can improve work-life balance, but at the same time also increase the risk of technostress, digital fatigue, and social isolation. These findings show that the digital workplace presents opportunities as well as challenges that must be managed effectively by organizations. Verma and Singh (2023) added that the success of the digital workplace is greatly influenced by the organization's readiness to integrate technology with a work culture that supports collaboration and continuous learning. Therefore, digital transformation is not only understood as technological change, but also as a process of social and organizational change that requires adaptive leadership.

3.3 Digital Leadership Capabilities

The literature shows that digital leadership is becoming an increasingly important competency in the era of digital transformation. Contreras et al. (2020) explained that digital leaders are required to be able to manage virtual teams, utilize digital technology effectively, and build communication that is able to maintain employee engagement in a distributed work environment. Larjovuori et al. (2022) found that leaders who have good digital competencies are able to increase employee engagement through more open communication, support for digital learning, and employee empowerment. These findings are strengthened by AlNuaimi et al. (2024) who show that digital leadership contributes positively to organizational agility and organizational performance. Nevertheless, there is debate in the literature about the key competencies that digital leaders must have. Some studies emphasize technological capabilities as the main factor, while others highlight the importance of emotional intelligence, trust building, and interpersonal skills. These differences of views show that digital leadership cannot be reduced to technological capabilities alone, but must be understood as a combination of technical competence and social competence (Contreras et al., 2020; Larjovuori et al., 2022).

3.4 Employee Engagement and Well-Being

Employee engagement and employee well-being are the most frequently cited issues in the literature on the digital workplace. Wang et al. (2021) show that the work flexibility generated by digital technology can improve job satisfaction and work-life balance. However, excessive use of technology also has the potential to increase psychological distress and reduce the quality of social relationships between employees. These findings are in line with the World Economic Forum (2025) report which emphasizes that employee welfare is one of the main indicators of organizational success in facing digital transformation. Organizations that fail to maintain employee well-being tend to experience decreased productivity, increased turnover intention, and low work engagement. Based on a synthesis of the literature, this study found that leadership plays a central role in maintaining a balance between digital productivity and employee well-being. Leaders who are able to create a supportive, inclusive, and human-oriented work environment tend to generate higher engagement rates than organizations that focus solely on technology efficiency (Larjovuori et al., 2022; AlNuaimi et al., 2024).

3.5 Ethical Challenges in AI-Enabled Workplaces

The development of artificial intelligence has created new opportunities to improve organizational efficiency, but it has also raised various ethical challenges. Dwivedi et al. (2023) explain that the use of AI in the recruitment process, performance evaluation, and managerial decision-making has the potential to cause problems related to data privacy, algorithm bias, transparency, and accountability. The OECD (2024) also emphasized that the increasing use of digital

technology and AI requires organizations to develop governance that is able to ensure fairness and trust in the use of technology. Without adequate governance, the use of AI has the potential to reduce the legitimacy of organizational decisions and lower employee trust in digital systems. These findings show that the main challenge in the AI-enabled workplace is not only a technological issue, but also an ethical and governance issue. Therefore, organizations need a leadership framework that is able to ensure that the use of technology remains oriented to the organization's human values and sustainability (Dwivedi et al., 2023; OECD, 2024).

3.6 Islamic Leadership as an Ethical Framework

The literature shows that most digital leadership research still focuses on the effectiveness of technology and organizational performance. On the other hand, the dimensions of ethics and moral values are still relatively under-appreciated. Hassan et al. (2022) explain that Islamic Governance emphasizes transparency, accountability, integrity, and social responsibility as the main principles in organizational governance. From the perspective of Islamic Leadership, the principles of amanah, adl, shura, ihsan, and mas'uliyah can function as an ethical foundation in managing the digital workplace. The value of trust strengthens integrity in the use of technology, the adl principle ensures fairness in data-driven decision-making, while the shura principle encourages participation and collaboration in the organization (Hassan et al., 2022). Based on a synthesis of all literature, this study argues that Islamic Leadership can be an alternative approach that is able to bridge the need for digital innovation and the need for ethical leadership. Thus, Islamic Leadership is not only relevant in Islamic values-based organizations, but also has the potential as a universal leadership framework that supports the sustainability of the digital workplace in the era of digital transformation.

4. CONCLUSION

This study aims to synthesize and analyze the development of the literature on Islamic Leadership in the context of the digital workplace through the Narrative Literature Review approach. The results of the study show that digital transformation has significantly changed the way organizations operate, communicate, and manage human resources. The literature reviewed identified five main themes, namely digital workplace transformation, digital leadership capabilities, employee engagement and well-being, ethical challenges in AI-enabled workplaces, and Islamic Leadership as an ethical framework. The findings of the study show that the success of digital transformation is not only determined by the adoption of digital technology and competencies, but also by leadership abilities in building trust, employee engagement, and ethical governance. On the other hand, the development of artificial intelligence and digital workplace has given rise to various new challenges such as technostress, digital fatigue, data privacy, algorithm bias, and declining quality of social interaction. In this context, Islamic Leadership offers a relevant perspective through the application of the values of amanah, adl, shura, ihsan, and mas'uliyah that are able to strengthen integrity, justice, transparency, and social responsibility in the digital work environment. The main contribution of this research is the development of a conceptual framework that integrates Digital Workplace, Digital Leadership, and Islamic Leadership as a foundation for ethical and sustainable leadership in the era of digital transformation. This research is still limited to the Narrative Literature Review approach and the use of articles that meet certain selection criteria. Therefore, further research is recommended to empirically examine the proposed conceptual model, in particular the relationship between Islamic Leadership, digital trust, employee well-being, and organizational performance in various organizational and industry contexts.

REFERENCES

- AlNuaimi, B. K., Singh, S. K., Ren, S., Budhwar, P., & Vorobyev, D. (2024). Mastering digital transformation: The role of digital leadership in organizational performance. *Technological Forecasting and Social Change*, 200, 123123.
- Ali, A. J., Naimatullah, S., & Abdullah, A. (2022). Islamic leadership and organizational performance: A contemporary review. *Journal of Islamic Management Studies*, 8(2), 45–61.
- Beekun, R. I., & Badawi, J. A. (2021). Leadership: An Islamic perspective. *Journal of Leadership Studies*, 15(3), 34–48.
- Contreras, F., Baykal, E., & Abid, G. (2020). E-leadership and teleworking in times of COVID-19 and beyond: What we know and where do we go. *Frontiers in Psychology*, 11, 590271.
- Cortellazzo, L., Bruni, E., & Zampieri, R. (2020). The role of leadership in a digitalized world: A review. *Frontiers in Psychology*, 11, 1938.
- Coun, M., Peters, P., & Blomme, R. J. (2021). Leadership and innovative work behavior in virtual work environments. *Frontiers in Psychology*, 12, 652607.
- Dwivedi, Y. K., Hughes, L., Baabdullah, A. M., Ribeiro-Navarrete, S., Giannakis, M., Al-Debei, M. M., Dennehy, D., Metri, B., Buhalis, D., Cheung, C. M. K., Conboy, K., Doyle, R., Dubey, R., Dutot, V., Felix, R., Goyal, D. P., Gustafsson, A., Hinsch, C., Jebabli, I., ... Wamba, S. F. (2023). So what if ChatGPT wrote it? Multidisciplinary perspectives on opportunities, challenges and implications of generative conversational AI for research, practice and policy. *International Journal of Information Management*, 71, 102642.
- Hassan, M. K., Rabbani, M. R., & Ali, M. A. M. (2022). Islamic governance and sustainable development: A review of contemporary literature. *Sustainability*, 14(9), 5431.
- Kniffin, K. M., Narayanan, J., Anseel, F., Antonakis, J., Ashford, S. P., Bakker, A. B., Bamberger, P., Bapuji, H., Bhawe, D. P., Choi, V. K., Creary, S. J., Demerouti, E., Flynn, F. J., Gelfand, M. J., Greer, L. L., Johns, G., Kesebir, S., Klein, P. G., Lee,

- S. Y., ... Van Vugt, M. (2021). COVID-19 and the workplace: Implications, issues, and insights for future research and action. *American Psychologist*, 76(1), 63–77.
- Larjovuori, R. L., Bordi, L., Mäkinen, J. P., & Heikkilä-Tammi, K. (2022). Digital leadership and employee engagement in modern organizations. *Journal of Organizational Change Management*, 35(4), 721–739.
- OECD. (2024). *Digital Economy Outlook 2024*. Organisation for Economic Co-operation and Development.
- Pulido-Martos, M., Cortés-Denia, D., & Lopez-Zafra, E. (2021). Teleworking in times of COVID-19: Effects on the acquisition of personal resources. *Frontiers in Psychology*, 12, 685275.
- Verma, S., & Singh, V. (2023). Digital workplace transformation and leadership effectiveness: A systematic review. *Management Review Quarterly*, 73(4), 1215–1241.
- Wang, B., Liu, Y., Qian, J., & Parker, S. K. (2021). Achieving effective remote working during the COVID-19 pandemic: A work design perspective. *Applied Psychology*, 70(1), 16–59.
- World Economic Forum. (2025). *Future of Jobs Report 2025*. World Economic Forum.
- Rumapea, M. (2024). Digital leadership and employee performance in modern organizations. *Harmony Society Journal*, 3(1), 45–58.
- Fitri, N., Saputra, A., & Kurniawan, R. (2025). Digital leadership and human resource performance in the digital era. *Journal of Business Studies and Management Review*, 9(1), 22–35.
- Indarta, Y., Hidayat, R., & Nugroho, A. (2025). Bibliometric trends of digital leadership research: A comprehensive review. *Daengku Journal of Social Sciences*, 4(2), 101–118.