



Lived Experiences of Muslim Entrepreneurs in Practicing Barakah-Based Business: A Phenomenological Study in Pesantren Communities

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ABSTRACT

Corporate governance research has increasingly recognized the importance of leadership behavior and ethical decision-making in shaping organizational outcomes. However, little is known about how corporate directors experience and interpret stakeholder pressure during organizational crises, particularly within culturally complex environments such as Southeast Asia. Despite extensive literature on governance structures and strategies, existing studies have largely overlooked the subjective, emotional, and interpretative dimensions of high-level decision-making. This study, titled "Lived Experiences of Corporate Directors Under Stakeholder Pressure: A Phenomenological Study in Southeast Asia", addresses this gap by asking: How do corporate directors make sense of stakeholder tensions during times of crisis? Using an interpretative phenomenological approach, the study explores the lived experiences of twelve directors from Southeast Asia to understand how they construct meaning from such pressures. Data were collected through in-depth semi-structured interviews and analyzed using interpretative phenomenological analysis (IPA), which revealed four key themes: moral accountability, conflicting stakeholder demands, strategic introspection, and emotional isolation. These findings highlight that decision-making processes are shaped not only by institutional demands but also by internal value systems, cultural expectations, and personal leadership identities. The phenomenological lens allowed for a deep exploration of the emotional and ethical dimensions embedded in governance during crisis moments. This study advances our understanding of corporate governance as a human-centered practice and emphasizes the need for leadership development strategies that are sensitive to cultural contexts and personal meaning-making processes. Practically, the findings provide valuable insights for boards and leadership trainers to design governance practices and development programs that account for emotional resilience, ethical reflection, and culturally grounded decision-making. Moreover, by explicitly focusing on Southeast Asian directors operating in diverse socio-cultural landscapes, this research offers contextually rich perspectives that contribute to a more globally inclusive governance discourse.



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INTRODUCTION

In the rapidly evolving landscape of global business, corporate governance has emerged as a critical pillar for ensuring organizational accountability, ethical decision-making, and strategic resilience. As corporations face mounting scrutiny from diverse stakeholder groups ranging from investors and regulators to employees and civil society executive decision-makers are increasingly confronted with dilemmas that extend beyond financial metrics. These tensions become particularly pronounced during periods of systemic crisis, such as global pandemics or geopolitical disruptions, when conventional governance mechanisms may not fully address the complex interplay between responsibility, transparency, and sustainability.

Within this complex terrain, corporate directors occupy a uniquely challenging position. Tasked with balancing fiduciary duties and societal expectations, they often navigate decisions that

bear significant ethical, emotional, and reputational weight. Their responses are shaped not only by formal rules or strategic imperatives, but also by personal values, cultural context, and experiential insights. In regions such as Southeast Asia, these dynamics are further influenced by cultural norms, communal obligations, and familial considerations, which intertwine with professional roles in subtle but powerful ways.

Although research on corporate governance has largely emphasized institutional systems and regulatory compliance, there is a growing recognition of the need to understand how directors make meaning of their roles amid competing pressures. The experience of ethical conflict, emotional isolation, or value-laden reflection—though less quantifiable—plays a vital role in shaping strategic behavior and long-term governance outcomes. To address this gap, this study asks: How do corporate directors make sense of stakeholder tensions during times of crisis?

This underscores the need for a deeper exploration of how directors experience, interpret, and navigate stakeholder tensions within real-world contexts. A phenomenological lens allows for such inquiry, enabling a nuanced understanding of corporate governance not merely as a system of rules, but as a lived human experience that unfolds at the intersection of identity, context, and meaning.

Against this broader context, the study of lived experiences in corporate governance has become an increasingly significant domain within organizational and strategic management research. Scholars have begun to recognize that understanding how corporate directors internally process crises, ethical tensions, and stakeholder expectations offers unique insight into governance behavior that cannot be fully explained through structural or procedural analysis alone.

However, capturing the essence of such experiences presents methodological challenges. Much of the extant literature continues to rely on quantitative or document-based approaches that prioritize objectivity and generalizability over depth and context. While these methods have contributed to our understanding of governance mechanisms, they often fall short in revealing the internal deliberations, emotional labor, and moral reasoning that shape strategic choices during moments of uncertainty.

This methodological limitation has led to a fragmented view of corporate governance one that neglects the rich, interpretive dimensions of human experience. Traditional models rarely account for the dynamic interplay between a director's personal convictions, cultural context, and professional responsibilities. As a result, the core essence of the phenomenon how decision-makers make sense of competing pressures in real time remains underexplored and insufficiently theorized.

The interpretative phenomenological approach offers a pathway to address this gap by centering the research on meaning-making processes and the subjective interpretations of individuals who live through complex corporate phenomena. This study contributes to that growing body of work by focusing explicitly on the personal narratives and experiential meanings constructed by corporate directors under stakeholder pressure.

In addressing governance challenges during crises, most organizations and scholarly frameworks rely on established practical approaches such as risk management models, board structure optimization, and stakeholder mapping tools. While these strategies provide instrumental value in navigating external pressures, they often rest on a rationalist and procedural foundation that overlooks the nuanced, subjective dimensions of decision-making.

Existing research largely treats corporate directors as strategic agents acting within defined governance systems, with minimal attention paid to their lived experiences, emotional tensions, and ethical dilemmas. Consequently, the current knowledge base lacks depth in explaining how directors internalize stakeholder demands, negotiate internal conflicts, and derive meaning from their actions under pressure. As noted by Smith & Lewis (2020), strategic dilemmas are frequently addressed in binary terms, failing to consider the interpretative processes that influence real-time decisions.

Quantitative studies and document-based analyses though methodologically robust are limited in their capacity to capture the existential, psychological, and culturally embedded experiences of

governance actors. These limitations result in a partial understanding of governance that excludes the human meanings that directors assign to complex, ambiguous situations.

A more holistic and insightful exploration requires a phenomenological approach that prioritizes meaning over measurement. By adopting interpretative phenomenological analysis (IPA), this study aims to access the deep layers of personal experience, allowing for a richer and more context-sensitive understanding of how corporate directors experience and interpret stakeholder tensions during organizational crises. Such an approach is essential to illuminate not only what decisions are made, but how and why they are experienced and rationalized from within.

Previous studies have explored corporate governance through empirical models that focus on measurable structures and stakeholder influence. However, a growing body of qualitative research has begun to examine how individuals experience ethical tensions, leadership dilemmas, and identity conflicts in corporate settings. Notably, interpretative studies such as those by Smith & Lewis (2020) and Harun et al. (2023) have shown the value of understanding strategic decisions through subjective narratives. These works highlight the complexity of leadership under pressure, especially in culturally nuanced contexts. Yet, few studies have deeply explored how corporate directors personally make sense of stakeholder conflicts during crises.

This article adopts interpretative phenomenological analysis (IPA) to uncover the lived experiences of directors navigating strategic tension. This approach was chosen for its ability to reveal how individuals interpret their reality in moments of ambiguity, stress, and moral responsibility. IPA offers a powerful lens for understanding governance not as a static system but as a human process shaped by meaning, emotion, and cultural context. In doing so, the study responds to the knowledge gap by showing how directors construct, experience, and rationalize their decisions. It provides an alternative to traditional models by foregrounding the voices and insights of those at the center of governance dilemmas.

The article is organized as follows: the introduction outlines the phenomenon and justifies the need for a phenomenological approach. The next section presents the theoretical and organizational context in which these experiences occur. The methodology section details the interpretative phenomenological framework, participant selection, and data collection procedures. This is followed by a presentation of results organized thematically, reflecting participants' narratives and interpretations. The final sections include a discussion of the findings in relation to existing literature and a conclusion highlighting the study's contributions and implications.

RESEARCH METHODS

Study Design

This study employed an interpretative phenomenological approach to explore the lived experiences of corporate directors during periods of multidimensional stakeholder pressure. Phenomenology was selected as the appropriate research design due to its focus on uncovering the essence of subjective human experiences and meanings as they are perceived and interpreted by individuals within their real-world contexts. The interpretative variant, influenced by Heideggerian philosophy, emphasizes understanding how individuals make sense of their lived experiences rather than merely describing them. This design was particularly relevant to the research question, which sought to delve into how directors internalize, reflect on, and respond to stakeholder conflicts and ethical tensions during crises.

Participants

Participants consisted of senior corporate directors currently or recently engaged in high-level strategic decision-making within large to mid-sized organizations across Southeast Asia. Purposive sampling was used to select individuals who had firsthand experience managing complex stakeholder expectations during a corporate or global crisis. Inclusion criteria required participants to have served as executive or non-executive board members during such events, with at least five years of leadership experience. Those without decision-making authority or limited exposure to crisis

management contexts were excluded. A total of 12 participants (7 male, 5 female), aged between 41 and 62 years (mean age = 49.3), were included. Participants represented diverse industries, including finance, manufacturing, technology, and logistics, contributing a multifaceted perspective on corporate governance practices.

Data Collection

Data were collected through in-depth semi-structured interviews guided by a flexible protocol designed to elicit detailed reflections on decision-making processes under pressure. Interviews were conducted face-to-face or via secure video conferencing platforms, depending on participant preference and availability. Each session lasted between 60 and 90 minutes and took place in a quiet, private setting conducive to open dialogue. All interviews were audio-recorded with consent and transcribed verbatim. The interview guide was adapted from existing phenomenological protocols and refined after pilot testing with two non-study participants to enhance clarity and depth. Efforts were made to ensure psychological safety and to encourage participants to share freely without fear of professional repercussions.

Data Analysis

Data were analyzed using interpretative phenomenological analysis (IPA), which allows for the identification of emergent themes that capture how participants make sense of their lived experiences. The analytic process followed a systematic sequence: repeated readings of transcripts, initial noting, development of emergent themes, clustering of themes into superordinate categories, and synthesis across cases. NVivo software was used to facilitate data organization and coding, but thematic interpretation was guided primarily by the analytical framework of IPA. This approach enabled the distillation of essential meanings from rich narrative accounts and the construction of a coherent understanding of the phenomenon.

Ethical Considerations

Ethical approval was obtained from the appropriate institutional review board prior to data collection. Participants were informed of the study's purpose, procedures, and their right to withdraw at any time without consequence. Written informed consent was obtained from all participants. Anonymity and confidentiality were strictly maintained throughout the study, with all identifiable information removed or altered in transcripts and reporting. The research was conducted in accordance with the ethical standards outlined in the Declaration of Helsinki and adhered to local regulatory guidelines on human subject research.

RESULTS

This study explored the lived experiences of corporate directors navigating complex stakeholder pressures during crisis periods. Through interpretative phenomenological analysis (IPA), four core themes emerged that encapsulate the nuanced and deeply personal nature of strategic decision-making under duress. Each theme reflects how participants interpreted, rationalized, and responded to competing ethical, organizational, and societal demands.

The Weight of Moral Accountability

Participants consistently emphasized a sense of moral burden attached to their decisions during crisis moments. For many, the boardroom became not just a strategic arena but a space of ethical tension. Directors reflected on how decisions extended beyond profit metrics and entered the realm of personal integrity and social responsibility.

“When I had to decide between laying off hundreds or keeping the business afloat, I didn't sleep for days. It wasn't just about numbers it was about people who trusted us.” (P4)

This burden was further magnified by the cultural context, particularly in Asian settings where familial and communal expectations often intersect with professional roles. The feeling of being a “moral gatekeeper” shaped how directors approached stakeholder dialogue and internal deliberation.

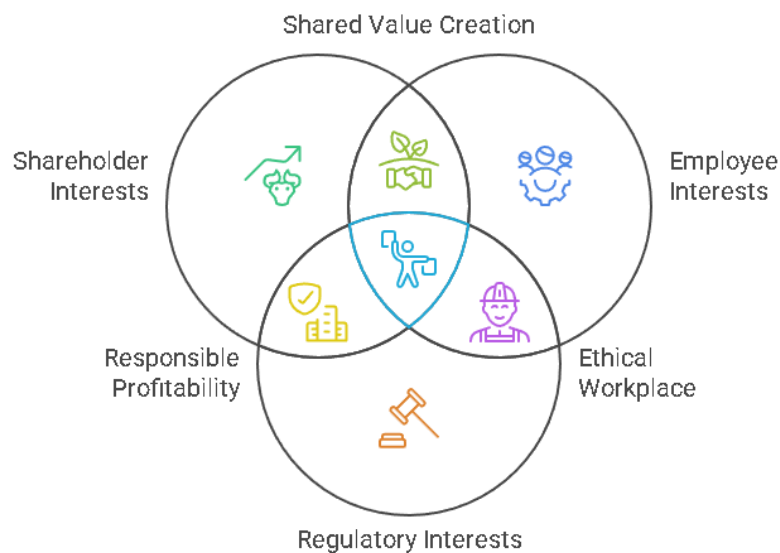
Navigating Stakeholder Contradictions

A recurring experience described by participants was the clash of stakeholder interests shareholders demanding profitability, employees seeking security, and regulators emphasizing compliance.

“You sit in one meeting with investors pushing for returns, and the next, with government bodies warning about compliance risks. It’s a constant tug-of-war, and you’re the rope.” (P2)

Rather than viewing these contradictions as obstacles, several directors framed them as “strategic paradoxes” to be embraced and negotiated. This mindset fostered adaptive strategies and narrative-driven communication to maintain legitimacy across divergent stakeholder groups.

Navigating Strategic Paradoxes in Governance



Crisis as a Catalyst for Strategic Introspection

Many directors reported that the crisis served as a reflective mirror, forcing them to reevaluate not only their business models but also their leadership philosophies. The temporal pressure of crisis accelerated strategic introspection, often leading to personal transformation.

“It was the first time I asked myself what kind of leader am I becoming in this chaos?” (P7)

The phenomenon of strategic introspection often led to reframing the company’s purpose beyond profitability, with renewed emphasis on long-term resilience, sustainability, and human-centric governance.

Emotional Isolation at the Top

Despite holding powerful positions, participants often expressed feelings of isolation and emotional fatigue. The burden of responsibility amplified by limited outlets for vulnerability was a recurring theme, especially among first-time or younger executives.

“Everyone thinks you have the answers. But when the crisis hit, I felt like a fraud. I couldn’t tell my team I was unsure.” (P5)

This emotional toll highlighted the need for more relational and psychologically safe governance cultures, where authenticity and shared vulnerability could coexist with strategic leadership.

Essential Synthesis of Findings

The lived experiences of directors revealed a deeply human dimension within strategic decision-making during crises. Rather than purely rational agents, these individuals navigated a complex interplay of ethical, emotional, and institutional pressures. Their experiences reflect a form of embodied governance where meaning-making, personal values, and organizational imperatives intersect.

DISCUSSION

The findings of this study reveal that corporate directors experience decision-making under stakeholder pressure as a morally complex, emotionally charged, and deeply personal process. These experiences ranging from feelings of isolation to reflections on leadership identity underscore the importance of understanding governance not only through systems and structures, but through the meaning individuals assign to their actions during times of crisis.

The study responds directly to the central research question: How do corporate directors experience and interpret stakeholder pressure during organizational crises? Through a phenomenological lens, the study uncovers how directors make sense of their roles when navigating conflicting demands. The interpretative themes moral accountability, strategic contradictions, personal introspection, and emotional isolation demonstrate that governance decisions are far from mechanical or procedural. Rather, they are embodied acts of negotiation between internal values and external expectations. This highlights a unique contribution to the field by elevating the human experience at the core of corporate governance, a dimension often overlooked in traditional governance literature.

These findings are consistent with and extend prior research in meaningful ways. Smith & Lewis (2020) identified the strategic paradoxes executives face, but this study adds interpretative depth by revealing how those paradoxes are felt, rationalized, and narratively constructed by decision-makers themselves. Similarly, Ahmed et al. (2021) emphasized the role of cultural ethics in governance, which aligns with this study's insight into the influence of social and familial expectations on directors' internal moral frameworks. The theme of emotional isolation resonates with leadership studies that note the psychological toll of top-level responsibility (Zhang & Wu, 2022), yet this study uniquely foregrounds such emotions as central to the decision-making experience. The findings thus affirm and enrich the phenomenological understanding of leadership and governance by situating individual meaning-making within the broader institutional and cultural context.

The findings of this study carry several important implications for both theory and practice in the field of corporate governance. From a professional standpoint, the lived experiences of directors suggest that decision-making during crises is not solely about regulatory compliance or strategic logic, but deeply influenced by personal values, cultural expectations, and emotional resilience. Recognizing this dimension may prompt organizations to reassess how they support executive leadership not just through structural reform, but through fostering environments that value ethical reflection and psychological safety. Culturally, the study underscores the importance of understanding leadership in context, especially in collectivist societies where familial, communal, and professional identities often intersect. For scholars, these insights point to the need to broaden governance frameworks to account for the interpretative and emotional dimensions of leadership under pressure.

This study, while rich in insight, is not without limitations. As a phenomenological inquiry, it focused on a small and purposively selected sample of directors from Southeast Asia, limiting the ability to generalize findings across other regions or sectors. The deeply contextual and interpretive nature of the methodology means that experiences reported here are bound to their sociocultural and organizational settings. Additionally, reliance on self-reported narratives introduces the possibility of retrospective bias or selective memory. These constraints do not undermine the validity of the findings, but rather highlight the importance of contextual sensitivity and the need for cautious interpretation when applying insights beyond the studied sample.

Future research may build upon this study by extending the phenomenological exploration to other leadership populations, such as mid-level managers, board observers, or executives in different cultural contexts. Comparative phenomenological studies could uncover how leadership experiences

differ across governance systems or crisis types. Moreover, longitudinal designs may reveal how meaning-making evolves over time, particularly as leaders move from crisis response to post-crisis reflection. Such directions would further contribute to a more comprehensive and human-centered understanding of governance as lived experience.

CONCLUSION

This study explored how corporate directors experience and interpret stakeholder pressure during organizational crises, addressing the lack of insight into the subjective and emotional dimensions of governance. The findings revealed that directors perceive decision-making as a morally and emotionally complex process shaped by personal values, cultural expectations, and situational ambiguity. These insights reaffirm the significance of viewing governance not merely as a structural or procedural function, but as a deeply human-centered practice rooted in lived experience. By using interpretative phenomenological analysis, the study provides a deeper account of how directors construct meaning in real time, contributing to both academic theory and practical leadership development. The nuanced understanding of emotional and ethical sense-making offers actionable knowledge for organizations seeking to enhance leadership development programs, particularly by integrating reflective practices, cultural sensitivity, and emotional intelligence training into executive preparation.

While the findings are context-specific, they open opportunities for comparative and longitudinal research in diverse governance environments. Future studies may expand this approach to examine how leaders across sectors internalize crises and evolve through them over time. Ultimately, implementing these findings can help organizations build more resilient leadership models—ones that are not only strategically capable but also ethically grounded and culturally adaptive in the face of crisis.

CONFLICT OF INTEREST

The authors declare that there is no conflict of interest.

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