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Embedding Shari'ah Ethics into Sustainability Governance: Evidence from Jordanian Banks

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ABSTRACT

This research explores how Islamic ethics are—or aren't—being put into practice in the sustainability strategies of Jordanian banks. Using interviews with senior managers and analysis of recent sustainability reports from Arab Bank, Al Ahli Bank, and Housing Bank, the study examines whether principles like khalifa (stewardship), adl (justice), and amanah (trust) are genuinely reflected in bank policies or just used for appearances. While all three banks reference the Sustainable Development Goals (SDGs), Islamic values often remain on the sidelines. The findings reveal a noticeable gap between religious ideals and what actually happens inside institutions. To bridge this divide, the paper suggests reforms in regulation, better alignment between ethics and reporting, faith-based financial innovation like green Sukuk, and stronger staff training. The aim is to offer practical steps toward an Islamic banking model that takes its values seriously—beyond surface-level commitments.

Keywords: Islamic values, sustainability reporting, green banking, Shari'ah ethics, SDGs, Jordan, green Sukuk

INTRODUCTION

In recent years, sustainability has become a core strategic concern for financial institutions around the world. This shift is not just about compliance; it's also driven by rising expectations from stakeholders and increasing competition (Ali & Oudat, 2021). In theory, Islamic finance—with its foundation in Shari'ah law—should naturally align with sustainability goals. Its guiding values, such as *khalifa* (stewardship), *adl* (justice), *amanah* (trust), and *mizan* (balance), all promote social equity, responsible governance, and environmental care (Hudaefi & Noordin, 2019; Kamla & Rammal, 2013).

However, this alignment is more often stated than practiced. Numerous studies have pointed to a gap between the ethical ideals of Islamic finance and how these principles are actually put into action (El-Essa et al., 2024; Kamla & Rammal, 2013; Nobanee & Ellili, 2016). In Jordan, where Islamic and conventional banks operate side by side, sustainability strategies often seem to lean more on global standards—especially the UN's Sustainable Development Goals (SDGs)—than on Islamic ethical values (Agyei et al., 2024; Al Amosh & Mansor, 2021).

Islamic concepts are frequently mentioned in bank reports and mission statements, but when it comes to decisions, governance, and reporting practices, those values often fade into the background. For example, Albalawee and Al Fahoum (2023) have discussed how Islamic financial principles need reinterpretation in light of new digital challenges, while Alafi and Hasoneh (2012) highlighted similar gaps in Jordan's housing banks. Likewise, Albalawee and Fahoum (2024) noted that regulatory mechanisms in Jordan have yet to fully meet the ethical demands of Shari'ah—particularly in areas affected by AI and automation.

These critiques point to a broader issue: Islamic finance holds ethical and transformative potential, but it remains largely untapped. Real change requires more than slogans—it calls for new models that blend Islamic ethical reasoning with workable policies. Al-Agtash and Al-Fahoum (2008) emphasized the importance of collaboration between universities and the finance sector in creating such models.

At the same time, there's growing interest in financial institutions that combine religious values with tangible commitments to social and environmental responsibility. Consumers and stakeholders are increasingly expecting this, and banks operating in mixed systems like Jordan's need to show they can deliver (Bouteraa et al., 2024; Alhawamdeh et al., 2024). Understanding how Jordanian banks respond to this expectation helps assess the depth and credibility of their sustainability strategies.

This study focuses on how Islamic ethics are incorporated into the sustainability efforts of banks in Jordan. Using a mixed-methods approach, the research analyzes sustainability reports and conducts interviews with senior executives from Arab Bank, Al Ahli Bank, and Housing Bank. The goal is to see whether principles like *khalifa*, *adl*, and *amanah* are actually being integrated into operations—or simply referenced for appearances. Though sustainability is gaining visibility, the findings suggest that these efforts are often compliance-driven rather than value-driven.

By uncovering the gap between Islamic ethics and institutional practice, the study points to areas where genuine change is possible. It offers practical solutions—such as developing green Sukuk, aligning reporting tools with faith-based values, building capacity within institutions, and revising regulatory frameworks. Ultimately, this research contributes to the broader conversation on how Islamic banking can evolve into a values-based model for sustainable finance.

LITERATURE REVIEW

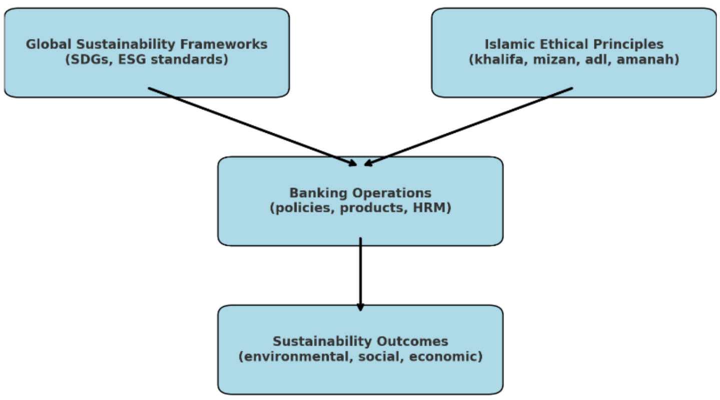

Figure 1: Conceptual model diagram

Islamic finance is rooted in a moral and legal framework grounded in Shari'ah, which emphasizes ethical objectives (*maqāṣid al-Sharīʿah*), justice (*adl*), and stewardship (*khalifa*). These principles offer a compelling foundation for sustainability, advocating for responsible environmental management, equitable economic relations, and social accountability (Hudaefi & Noordin, 2019; Kamla & Rammal, 2013). In principle, Islamic banking is well positioned to contribute to sustainable development.

Yet, as Aliyu et al. (2017) point out, the transition from theory to real-world implementation remains weak. Although the ethical mandate of Islamic finance aligns with sustainability, most institutions adopt conventional sustainability frameworks that do not fully reflect Shari'ah values (Nobanee & Ellili, 2016; Maali & Napier, 2010). In the Jordanian context, Di Bella and Al-Fayoumi (2016) observed increasing stakeholder expectations around CSR in Islamic banks, while Alshurideh et al. (2024) emphasize that sustainable leadership is key to maintaining competitive advantage in this sector. Bouteraa et al. (2024) further found that religiosity influences customers' engagement with green banking, suggesting that Islamic banks must bridge the gap between stated values and operational practices.

One clear reflection of institutional ethics is the quality of CSR practices and sustainability reporting. In Jordan, integrated reporting is still in early stages, and it rarely incorporates an Islamic ethical lens (Al Amosh & Mansor, 2021; Yusuf et al., 2024). Even in Europe, Avrampou et al. (2019) report that leading banks struggle with consistency and transparency in sustainability disclosures. Within the region, El-Essa et al. (2024) identify cultural and institutional barriers that hinder authentic sustainability reporting in Islamic finance.

Legal reform has also been flagged as necessary to advance accountability and ethics in Islamic banking. Albalawee and Fahoum (2024) argue that current governance standards in Jordan are outdated, especially in light of emerging technologies like AI, which pose new challenges for ethical oversight. Their earlier work (Albalawee & Al Fahoum, 2023) highlights the need for Islamic legal thought to evolve in response to innovations such as digital currencies, fintech, and automated decision-making.

Internal organizational culture plays a crucial role in this landscape. Studies by Bahjat Abdallah et al. (2017) and Rowland et al. (2017) show that strategic human resource management, employee training, and institutional commitment are essential to fostering ethical behavior. Ali et al. (2022) offer a green HR framework tailored to Islamic banks that combines environmental stewardship with Shari'ah-compliant human capital development.

Transparency and trustworthiness are also central to Islamic banking. Research by Rashid et al. (2013) and Alafi and Hasoneh (2012) cautions that CSR devoid of ethical substance risks reputational damage. This concern is supported by Pakurár et al. (2019), who found that ethical service quality directly affects customer satisfaction in Jordanian banks.

Taken together, the literature shows that while Islamic finance has strong ethical foundations, the practical integration of these values into sustainability remains inconsistent. This study aims to address that gap by empirically examining how Islamic principles are operationalized—or neglected—in Jordanian banks.

LITERATURE REVIEW, CONCEPTUAL STRUCTURE, AND THEMES

The growing discourse on sustainability within Islamic finance can be organized around four key themes, each reflected in the literature and illustrated in Figure 1.

Islamic Ethics and Sustainability

Islamic finance is built upon ethical doctrines derived from the Qur'an and Sunnah, particularly through the lens of *maqāṣid al-Sharīʿah*. This framework inherently supports sustainability. Core values such as *khalifa* (stewardship), *adl* (justice), *amanah* (trust), and *mizan* (balance) call for fairness, social welfare, and ecological care (Hudaefi & Noordin, 2019). These principles challenge banks to move beyond short-term profitability and adopt ethical models of growth. Kamla and Rammal (2013) and Aliyu et al. (2017) argue that Islamic financial institutions are uniquely positioned to offer an ethical alternative to conventional ESG models. However, the gap between ideals and action persists (Nobanee & Ellili, 2016; Alhammadi et al., 2022).

Gaps Between Ethics and Institutional Practice

Despite rhetorical references to Shari'ah values, most banks struggle to integrate these principles into operations, performance metrics, or product development. Marketing often emphasizes ethical positioning, but organizational systems fail to support it (Kamla & Rammal, 2013; El-Essa et al., 2024). SDG compliance tends to be driven by external demands, rather than internal ethical conviction. Albalawee and Al Fahoum (2023) underscore the need for modernized legal tools to address emerging challenges like fintech and digital currencies. Their follow-up work (Albalawee & Fahoum, 2024) also identifies gaps in current governance laws, especially concerning ethical risks posed by AI and automation—issues relevant to sustainability frameworks as well.

Institutional Innovation and Collaborative Models

Closing the ethics-practice gap requires innovation. Al-Agtash and Al-Fahoum (2008) propose partnerships between academic institutions and industry to co-develop actionable sustainability models grounded in Islamic ethics. This collaboration is essential in developing green Sukuk, Shari'ah-compliant ESG tools, and ethics-based reporting systems. Capacity building—especially training that links faith-based values to operational goals—is critical (Ali et al., 2022). Organizational culture must evolve to reflect Islamic values not only in theory but also in daily decision-making.

Research Gap

Empirical studies on the integration of Islamic principles into sustainability governance remain scarce, especially in Jordan. Much of the literature focuses on Gulf countries or Southeast Asia. In contrast, the Levant—and Jordan in particular—has received limited attention, despite its hybrid banking system. This study contributes to closing that gap by analyzing how Shari'ah values are reflected in the strategies, policies, and reporting practices of Jordanian banks.

METHODOLOGY

This study adopts a **mixed-methods approach** to explore how Islamic ethics are embedded within sustainability policies across selected financial institutions in Jordan. By integrating both qualitative and quantitative data, the research captures not only formal sustainability practices but also the more nuanced ethical considerations that underpin institutional behavior. This dual approach builds on the methodological suggestions of Al Amosh and Mansor (2021) and Yusuf et al. (2024), who emphasize the importance of incorporating stakeholder perspectives in evaluating sustainability reporting.

1. Research Design

The study employs an **exploratory sequential design**, beginning with qualitative interviews followed by document analysis. This approach was chosen due to the complex, context-specific nature of Islamic ethical integration within banking practices. As Hudaefi and Noordin (2019) argue, the principles of Shari'ah-based sustainability are multifaceted and must be interpreted within local institutional and cultural contexts. The sequential design allows for the generation of grounded themes from interviews, which are then cross validated against formal disclosures in sustainability reports.

2. Sampling Strategy

Purposive sampling was used to select three prominent banks in Jordan: **Arab Bank**, **Al Ahli Bank**, and the **Housing Bank for Trade and Finance**. These institutions were selected based on their market influence, engagement in sustainability reporting, and varying orientations toward Islamic or conventional banking models (Zyadat, 2017; Di Bella and Al-Fayoumi, 2016). This sample offers a comparative lens on how both Islamic and hybrid banks articulate their ethical responsibilities in the context of sustainability.

The study's comparative framework evaluates the degree to which these banks incorporate Islamic values—such as *adl* (justice), *khalifa* (stewardship), and *amanah* (trust)—into their sustainability strategies. Both **qualitative and quantitative data** were collected to triangulate findings, ensuring a robust analysis of both rhetorical and operational dimensions of sustainability.

3. Data Collection and Coding Framework

As summarized in **Table 1**, the research process involved three main components:

Participant Interviews: Semi-structured interviews were conducted with senior executives and sustainability officers. Participants were selected based on their direct involvement in strategic planning or sustainability reporting. Informed consent was obtained, and participant identities were anonymized to maintain confidentiality.

Document Analysis: Sustainability reports from the selected banks, covering the years 2022–2023, were examined using a structured content analysis framework. These documents were assessed for alignment with both Islamic ethical standards and international benchmarks such as the Sustainable Development Goals (SDGs).

Coding Strategy: A hybrid coding method was employed. Deductive codes were developed based on established Islamic ethical concepts and sustainability frameworks, while inductive codes emerged from the interview transcripts. This allowed the study to capture both theoretically informed insights and grounded institutional narratives.

Table 1 provides a detailed overview of the **data collection process**, including the profile of participants, source materials, analytical strategies, and coding procedures. This transparent structure enhances the reliability and replicability of the research.

Table 1. Data Collection and Coding Framework

Component	Description
Research Design	Exploratory mixed methods (qualitative + document analysis)
Sample	3 major Jordanian banks: Arab Bank, Al Ahli Bank, Housing Bank for Trade and Finance
Participants	10 senior managers (strategy, sustainability, operations)
Interview Type	Semi-structured (45–60 minutes per session)
Languages Used	Arabic and English
Data Sources	- Semi-structured interviews - Sustainability reports (2022–2023)
Qualitative Coding Framework	**Deductive codes** (from literature): - *Khalifa* (stewardship) - *Adl* (justice) - *Mizan* (balance) - SDG alignment **Inductive codes** (from data): - Institutional barriers

	- Personal faith vs institutional policy - Compliance motivations
Quantitative Analysis	Content analysis of sustainability reports across 3 dimensions: - Social - Environmental - Economic
Scoring Rubric	3-point Likert scale (1 = Low, 3 = High) for visibility, clarity, and Islamic integration
Triangulation Method	Cross-checking findings between interviews and reports for reliability and consistency
Ethical Measures	Informed consent, anonymization, member checks, and institutional ethics clearance

Qualitative Data Collection

This study conducted ten **semi-structured interviews** with senior officials involved in governance, compliance, sustainability, and risk management at the selected banks. The interviews sought to explore how key decision-makers perceive the integration of Islamic values into sustainability strategies, and what barriers or opportunities they identify within institutional structures.

Participants chose to engage in either Arabic or English, depending on their comfort. Each interview lasted between 45 and 60 minutes and was audio-recorded with prior consent. Transcriptions were later translated where necessary. This approach aligns with earlier work by Bahjat Abdallah et al. (2017), who emphasized the value of semi-structured interviews in eliciting candid perspectives within Jordan's banking environment.

In addition to the interviews, **sustainability reports for 2022 and 2023** were reviewed to validate and supplement the qualitative data. These documents were analyzed for the presence of Islamic ethical concepts—*adl* (justice), *khalifa* (stewardship), and *amanah* (trust)—alongside measurable indicators tied to the Sustainable Development Goals (SDGs). This combination of interview insights and report analysis provided a comprehensive view of both rhetorical and applied ethical commitments.

Coding and Data Analysis

Interview transcripts were thematically analyzed using a **hybrid coding method**. Deductive codes were drawn from Islamic ethical literature and the **maqāṣid al-Sharīʿah** (objectives of Islamic law), while inductive themes emerged from participant narratives. Examples of recurring themes included tensions between personal values and institutional policies, and the dominance of SDG frameworks in sustainability discourse.

Two researchers independently coded the transcripts to ensure **inter-coder reliability**, enhancing the rigor of the qualitative analysis. Coding categories were revised iteratively to reflect emergent insights and ensure consistency with the research objectives. The approach mirrors methodologies suggested by Aliyu et al. (2017) and Hudaefi and Noordin (2019) for interpreting value-laden content in Islamic financial contexts.

Quantitative Content Analysis

In parallel with interviews, the study applied a **quantitative scoring system** to evaluate each bank's sustainability disclosures. A three-point scale (Low, Medium, High) was used to measure:

- **Islamic Ethics Integration**: Whether and how terms like *adl*, *khalifa*, or *amanah* were embedded into governance structures or performance indicators.
- **SDG Coverage**: The extent to which sustainability initiatives addressed SDG goals in a structured way.
- **Operational Alignment**: The degree to which faith-based values influenced tangible policy, performance, or innovation.

The scoring rubric covered economic, social, and environmental dimensions, providing a comparative lens across the three banks. Each report was assessed for the frequency, specificity, and clarity of Islamic and sustainability content. This content analysis complemented the interview findings and offered a measurable benchmark for ethical alignment.

Validity and Ethical Considerations

The study employed multiple strategies to ensure research quality and ethical rigor:

- **Credibility** was strengthened through **triangulation** of interview data, sustainability reports, and institutional documents. Member checking was also conducted with selected participants to validate interpretations.

- **Transferability** is supported by the socio-economic diversity and regulatory complexity of the Jordanian banking sector (Rowland et al., 2017; Pakurár et al., 2019), making it a meaningful case for other mixed banking environments.
- **Dependability** and **Confirmability** were ensured through the maintenance of detailed audit trails, reflexive notes, and clearly documented procedures, as advised by Maali and Napier (2010).

All interview participants provided **informed consent**, and the study was conducted in accordance with institutional ethics protocols. The faith-based dimension of the research required a culturally sensitive and context-aware analytical process.

STUDY LIMITATIONS

While the sample size of participating institutions is relatively small, it focuses on leading banks that shape sustainability discourse in Jordan. This offers **rich, high-relevance insights**, though it limits generalizability.

A further limitation lies in the reliance on **self-reported data and public disclosures**, which may reflect idealized portrayals of sustainability efforts. Future studies could expand the scope by including Islamic microfinance institutions or conducting cross-country comparisons, especially with markets such as Malaysia or Indonesia, where Shari'ah integration into sustainability is more mature.

RESULTS AND DISCUSSION

Comparative Performance Across Banks

This subsection presents key findings from the analysis of sustainability reports (2022–2023) and executive interviews, focusing on how each bank approaches sustainability within both global and Islamic ethical frameworks. The comparative results are summarized in Table 2.

Arab Bank emerged as the most progressive among the three institutions in terms of aligning with global sustainability priorities. Its commitments to environmental stewardship, digital transformation, and inclusive finance were reflected in detailed reporting on renewable energy investments and programs aimed at enhancing digital access. However, although the bank's sustainability disclosures mentioned Islamic values—particularly in relation to corporate responsibility—these references lacked operational depth. There were no clear performance indicators or governance mechanisms linking Shari'ah ethics to actual practice. As such, Islamic principles appeared more as symbolic references than embedded institutional drivers. This pattern of symbolic ethics echoes critiques by Kamla and Rammal (2013), who warned that Islamic values often remain peripheral in institutional performance frameworks.

Al Ahli Bank demonstrated a broader commitment to the SDGs in formal terms, particularly in areas of gender empowerment, financial literacy, and youth development. Its sustainability reports referenced Islamic ethical constructs such as *adl* (justice) and *mizan* (balance), suggesting an awareness of value-based responsibilities. However, these ethical references remained narrative in nature and did not translate into policy tools or performance benchmarks. The disconnect between ethical language and strategic alignment indicates that Islamic principles serve more as rhetorical anchors than as practical guides for decision-making or accountability.

Housing Bank, by contrast, displayed the most limited engagement with both sustainability and Islamic ethics. Its approach was notably compliance-driven, focused on fulfilling baseline regulatory requirements. There was minimal emphasis on environmental responsibility, with no significant green finance initiatives recorded. Moreover, references to Islamic ethics were virtually absent from both public disclosures and internal programs. This indicates a missed opportunity to leverage Shari'ah values as a framework for enhancing the bank's ethical and social accountability.

In summary, while all three institutions have engaged with sustainability in some form, the depth and authenticity of Islamic ethical integration vary significantly. Arab Bank leads in innovation and global alignment but exhibits shallow faith-based integration. Al Ahli Bank signals ethical awareness but lacks structural follow-through. Housing Bank remains narrowly procedural, with no evident incorporation of Islamic principles. These findings reinforce concerns that Islamic ethics, though publicly acknowledged, are often marginal in shaping institutional sustainability strategies.

Table 2. Comparative Sustainability Performance of Jordanian Banks (2022–2023)

Bank	SDG Coverage	Integration of Islamic Values	Key Sustainability Outcomes

Arab Bank	12 of 17 SDGs	Moderate: Emphasizes *khalifa* and *adl*, but not institutionalized	Strong performance in carbon emission reduction, digital innovation, and SME support
Al Ahli Bank	13 of 17 SDGs	Moderate: References to *adl* and *mizan* in discourse; limited application	Moderate impact in gender equality, employee development; weak on climate-specific actions
Housing Bank	11 of 17 SDGs	Minimal: Limited reference to Islamic principles	Basic CSR efforts focused on governance and compliance; minimal environmental initiatives

Thematic Insights from Interviews

The interview data offers deeper insight into the institutional mindset shaping sustainability practices in Jordanian banks. Echoing the findings of Hudaefi and Noordin (2019) and Nobanee and Ellili (2016), many senior managers framed sustainability as a response to external expectations—particularly international compliance norms—rather than as an intrinsic application of Shari'ah ethics. Across ten semi-structured interviews with senior executives, five key themes emerged, which are summarized in Table 3:

Symbolic Referencing of Islamic Values

While Islamic principles such as *adl* (justice) and *amanah* (trust) were often cited in bank mission statements and CSR communications, these references rarely translated into actionable frameworks or policy tools. One executive remarked, *"We talk about Islamic values in our reports, but we lack the mechanisms to track or apply them in daily operations."* This reflects earlier critiques by Kamla and Rammal (2013), who cautioned against the performative invocation of ethics without structural backing.

SDG-Centric Compliance Culture

There was broad agreement among respondents that sustainability initiatives were primarily pursued to fulfill international SDG mandates rather than faith-based obligations. As one compliance officer noted, *"Our sustainability agenda is driven more by international expectations than by religious values."* This reinforces Cosma et al.'s (2024) argument that regulatory alignment often precedes authentic ethical integration.

Personal-Institutional Value Divide

Several participants acknowledged a disparity between their personal adherence to Islamic ethical principles and the operational culture of their institutions. This gap is consistent with the "ethical disconnection" highlighted in studies by El-Essa et al. (2024) and Aliyu et al. (2017), where individual morality fails to shape institutional practice.

Gaps in Capability and Legal Guidance

A recurring concern was the lack of training, tools, and legal clarity to implement Islamic sustainability governance effectively. Interviewees called for more robust frameworks to translate Islamic ethics into actionable benchmarks. These views align with the findings of Albalawee and Fahoum (2024), who advocate for regulatory updates to better accommodate AI and digital finance in accordance with Shari'ah principles. Al-Ghalabi et al. (2024) also underscores the potential of digital HR systems to facilitate environmental goals—provided they are guided by ethical oversight.

Readiness for Faith-Based Innovation

Despite structural challenges, several respondents expressed confidence in Islamic financial instruments as tools for sustainability reform. Ideas such as green Sukuk, Islamic ESG investments, and Shari'ah-compliant auditing mechanisms were repeatedly mentioned as underutilized yet promising avenues. This echoes the collaborative innovation strategies proposed by Al-Agtash and Al-Fahoum (2008).

There was also growing recognition of the need to institutionalize values like *hikma* (wisdom) and *amanah* (trust) into staff training, performance evaluations, and external communications. Several managers argued that doing so could boost public confidence and elevate institutional credibility—objectives mirrored in the ethical governance frameworks discussed by Yusuf et al. (2024).

Sustainability Scoring and SDG Alignment

To triangulate the interview findings, a quantitative analysis of the banks' 2022–2023 sustainability reports was conducted using a 3-point scoring rubric across three evaluative categories:

- **SDG Coverage**: Examines the scope and depth of each bank's engagement with the United Nations Sustainable Development Goals.
- **Islamic Ethics Integration**: Assesses the presence and prominence of Shari'ah-based values—such as *khalifa*, *adl*, and *amanah*—in sustainability disclosures.
- **Operational Alignment**: Evaluates the extent to which these Islamic ethical values are embedded in governance frameworks, strategic initiatives, or measurable performance indicators.

The results, shown in **Table 4**, reveal a consistent pattern. All three banks displayed improvement in their SDG-related disclosures, reflecting increasing alignment with global benchmarks. However, the inclusion of Islamic ethics remained sporadic and largely rhetorical. Only Arab Bank showed moderate progress in aligning values with strategy, while the other two banks remained largely symbolic in their ethical references.

This scoring exercise supports the thematic insights from interviews: there is a noticeable disjunction between stated Islamic values and their practical application. The superficial engagement with faith-based ethics suggests that without structural reform, Shari'ah principles will remain peripheral to the core sustainability agenda in Jordan's banking sector.

Table 3. Thematic Summary of Interview Data

Theme	Description	Sample Quote
1. Symbolic Islamization	Islamic values referenced in discourse but rarely institutionalized	"We mention Islamic principles in reports, but we don't measure or enforce them."
2. Global Framework Priority	SDGs and ESG ratings prioritized over Shari'ah-based goals	"Our sustainability strategy is guided by international benchmarks—not religious obligations."
3. Ethical Disconnection	Managers distinguish between personal Islamic ethics and corporate practice	"Faith is a personal thing. The bank focuses on business and regulations."
4. Capacity and Training Gaps	Lack of staff awareness and tools to implement Islamic ethical frameworks	"We need more training to understand how Islamic ethics apply to sustainability."
5. Potential for Faith-Based Reform	Recognition of untapped value in aligning Shari'ah and sustainability for differentiation and trust	"If we embedded Shari'ah values meaningfully, it could boost credibility and stakeholder engagement."

Table 4. Sustainability and Islamic Values Integration Scoring (2022–2023)

Bank	SDG Coverage	Islamic Ethics Integration	Operational Alignment with Shari'ah Values
Arab Bank	3 (High)	2 (Moderate)	2 (Moderate)
Al Ahli Bank	3 (High)	2 (Moderate)	1 (Low)
Housing Bank	2 (Medium)	1 (Low)	1 (Low)

Scoring Legend:*1 = Low | 2 = Moderate | 3 = High*

SYNTHESIS OF FINDINGS

Bouteraa et al. (2024) found that religiosity strongly influences green banking adoption. However, as Rashid et al. (2013) point out, customers expect more than compliance—they seek authentic, customer-centric ethics in Islamic banks. These expectations remain largely unmet in Jordan, where symbolic gestures outpace ethical reform. Table 5 summarizes the emergent themes collected from the interviews.

Table 5. Summary of Emergent Themes from Interviews

Theme	Findings	Supporting References
Superficial Ethical Integration	Islamic values cited in branding, but not in operational KPIs	Kamla and Rammal (2013); El-Essa et al. (2024)
Digital as Enabler	Digital platforms drive sustainability, yet legal-ethical alignment is lacking	Shehadeh et al. (2024); Albalawee and Fahoum (2024)
Missing Islamic Metrics	No banks used *maqāṣid*-based indicators; reliance on SDGs dominates reporting	Hudaefi and Noordin (2019); Yusuf et al. (2024)

The findings reveal both forward momentum and enduring inconsistencies in the sustainability efforts of Jordanian banks. Institutions have made notable progress in reporting practices and SDG alignment, yet the integration of Islamic ethical values remains largely superficial. Principles like *adl* (justice), *khalifa* (stewardship), and *amanah* (trust) are frequently cited in public narratives but rarely influence operational frameworks or governance structures. These outcomes echo concerns in earlier literature that Islamic banking, without institutional reinforcement, risks diluting its ethical mission (Maali & Napier, 2010; Di Bella & Al-Fayoumi, 2016; Nobanee & Ellili, 2016).

To meaningfully embed Shari'ah values into sustainable finance strategies, banks must move beyond branding exercises and adopt enforceable standards, performance indicators, and stakeholder-informed governance systems. The current absence of Islamic ethics in KPIs—especially those grounded in *maqāṣid al-Sharīʿah*—prevents these principles from shaping decision-making in a measurable, accountable way.

The gap between aspirational rhetoric and practical application reinforces prior observations that Islamic finance holds untapped ethical potential when its values are not structurally embedded (Hudaefi & Noordin, 2019; Alhammadi et al., 2022). Nevertheless, some institutions, such as Arab Bank, are beginning to explore innovative ways to bridge this divide. Their establishment of an "Innovation Center" points to a growing interest in aligning emerging technologies—like digital HR platforms and Shari'ah-compliant fintech—with ethical imperatives (Shehadeh et al., 2024).

FUTURE RESEARCH AND STUDY LIMITATIONS

To build on this study's findings, several areas warrant further exploration:

- **Expanding the Sample Pool:** With only three banks assessed, generalizing these results to the broader Jordanian or Islamic finance context remains limited. Future studies should include a wider range of institutions, including fully Shari'ah-compliant banks and Islamic microfinance providers.
- **Regional and Cross-National Comparisons:** Investigating how other Muslim-majority countries—such as Malaysia, Indonesia, and Gulf states—integrate Islamic ethics into sustainable banking can shed light on best practices and localized challenges (Aliyu et al., 2017; Alhammadi et al., 2022).
- **Longitudinal Monitoring:** Observing how banks evolve over time in response to policy changes, technological shifts, or stakeholder pressures can provide richer insight into transformation processes.
- **Islamic Ethics in Emerging Technologies:** As AI, blockchain, and digital currencies reshape the financial sector, scholars must explore how Islamic legal and ethical frameworks intersect with these innovations (Albalawee & Al Fahoum, 2023; 2024).
- **Faith-Based Performance Auditing:** There is a clear opportunity to design ethical auditing tools rooted in *maqāṣid al-Sharīʿah*, enabling banks to translate values into measurable governance metrics.

STRATEGIC AND POLICY RECOMMENDATIONS

To transition from ethical symbolism to institutional action, this study proposes the following:

- **Regulatory Reform and Shari'ah Integration**
  Embed key Islamic values such as *adl* and *amanah* into compliance structures, legal codes, and governance systems. Regulatory reform should prioritize value-based reporting and ethical disclosure (Albalawee & Fahoum, 2024; Agyei et al., 2024).
- **Capacity Building and Managerial Training**
  Establish training programs that link Islamic ethics to sustainability objectives. Education and internal awareness will help align organizational culture with Shari'ah values (Alshurideh et al., 2024; Alhammadi et al., 2022).
- **Encouraging Ethical Innovation**
  Foster innovation in Islamic finance through instruments such as green Sukuk, digital Islamic ESG tools, and faith-aligned investment products. Industry-academic collaborations can lead this change (Al-Agtash & Al-Fahoum, 2008).
- **Integrated Ethical Reporting**
  Move beyond SDG box-checking by embedding ethical performance indicators based on *maqāṣid al-Sharīʿah*. Technologies like AI and blockchain can support automated compliance in a faith-consistent manner (Shehadeh et al., 2024; Al-Ghalabi et al., 2024).
- **Cross-Sectoral Collaboration**
  Establish national councils involving Islamic scholars, sustainability experts, policy makers, and academics. Such collaboration can design comprehensive frameworks for Islamic ethical governance (Kamla & Rammal, 2013).

Theoretical Contributions and Empirical Reflections

The study supports existing critiques that Islamic banks in Jordan have yet to fully activate their ethical potential. Despite improved SDG alignment, sustainability remains framed primarily in terms of international obligations rather than religious imperatives. As one executive observed, *"Islamic values serve as a moral backdrop—not a driving force."* This finding resonates with Kamla and Rammal (2013) and El-Essa et al. (2024), who argue that ethics often exist in isolation from strategy in Islamic banking.

Nonetheless, the emergence of digital innovations and ethical finance tools suggests that transformation is possible. Arab Bank's initiatives, coupled with findings by Shehadeh et al. (2024) and Al-Ghalabi et al. (2024), show that values-driven change can coexist with technological advancement.

Yet, to actualize this potential, banks must center the *maqāṣid* framework in both reporting and strategic planning. This would ensure that Islamic ethics are no longer secondary narratives but fundamental pillars guiding institutional behavior.

CONCLUSION

This study examined how Islamic ethical principles are reflected in the sustainability practices of Jordanian banks. While references to values like *khalifa*, *adl*, and *amanah* are present in discourse, they have not been substantively embedded into policy, governance, or performance structures.

The evidence shows that most sustainability initiatives are motivated by external compliance rather than intrinsic ethical vision. This disconnect limits the transformative promise of Islamic finance and risks reducing Shari'ah principles to branding tools.

Nevertheless, pathways for meaningful reform are beginning to emerge. Green Sukuk, Islamic ESG frameworks, and digital platforms offer viable tools for integrating ethics into finance. Jordan's banking sector, with its cultural foundations and institutional maturity, is uniquely positioned to lead in this space.

Realizing this leadership, however, requires systemic reorientation—one that moves from symbolic ethics to institutionalized accountability. Legal reform, cross-sectoral collaboration, and capacity building will be essential.

By offering a grounded empirical assessment and actionable strategies, this research contributes to the broader goal of shaping a genuinely values-based, Shari'ah-compliant model for sustainable development.

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APPENDIX

Table 1: Arab Bank's SDGs contribution from 2022 to 2023; the recent report before issuing 2024-2025 report that still under process.

Arab Bank Sustainability Report

Sustainable Development Goals	Bank Contribution Years (2023-2022)
1 NO POVERTY	1- Utilizing digital innovation to avail achieve financial inclusion by expanding the base of beneficiaries of digital banking accommodations to include unserved groups by fortifying innovation and entrepreneurship, especially among the youth group. 2- Fortifying a number of non-profit institutions in the areas of combating impecuniosity, through the bank's community investments and the bank's activities in the field of convivial responsibility. 3- Fortifying minuscule and medium-sized companies, which contributes to ameliorating the economic output of the sector and enabling it to achieve a gregarious return in the fight against poverty.
3 GOOD HEALTH AND WELL-BEING	1- Supporting several non-profit institutions in the areas of improving the health situation in the community through the bank's community investments and the bank's activities in the field of social responsibility. 2- Encouraging a healthy lifestyle among the bank's employees and working to provide a healthy work environment for them.
4 QUALITY EDUCATION	1- Supporting several non-profit institutions in the areas of improving the educational infrastructure, improving the outcomes of the educational system, and ensuring equitable and inclusive education for all through the Bank's community investments and the Bank's activities in the field of social responsibility.
5 GENDER EQUALITY	1- Supporting gender equality and working to empower female employees by ensuring the full and effective participation of women in the bank and equal opportunities to reach senior positions. 2- Work to achieve gender equality and create equal job opportunities in cooperation with non-profit institutions
7 AFFORDABLE AND CLEAN ENERGY	1- Investing in projects to combat climate change that help reduce greenhouse gas emissions. 2- Working on a report on the environmental impact of the bank's operations and its impact on climate change.

	1- Using digital innovation to help achieve financial inclusion by expanding the base of beneficiaries of digital banking services to include unserved groups by supporting innovation and entrepreneurship, especially among the youth group. 2- Always small and medium companies, which contributes to improving the economic output of the sector and enabling it to achieve social returns in the fight against poverty.
	1- Using digital innovation to help achieve financial inclusion by expanding the base of beneficiaries of banking services digitally to include unserved groups by supporting innovation and entrepreneurship, especially among the youth group. 2- Ensuring everyone that the bank's investments in the infrastructure take into account the social and environmental impacts of these investments
	1- Using digital innovation to help achieve financial inclusion by expanding the base of beneficiaries of digital banking services to include unserved groups. 2- Enhancing societal integration and reducing discrimination through the Bank's community investments and the Bank's activities in the field of social responsibility. 3- Supporting small and medium companies, which contributes to improving the economic outcomes of the sector and enabling it to achieve a social return in support of equal opportunities and reducing discrimination in society.
	1- Developing banking services and products that encourage our customers to reach a sustainable consumption pattern, achieving efficient operations and supply. 2- Supporting our customers' transformation to a more sustainable lifestyle by providing products and services that reduce energy and material consumption and thus reduce greenhouse gas emissions.
	1- Investing in facing climate change, which works to reduce greenhouse gas emissions. 2- Working to reduce the environmental impact of the bank's operations and its impact on climate change

Sustainable Development Goals (SDGs)	**Bank Contribution Years (2019-2018)**
	Working to combat poverty through the bank's community activities in cooperation with non-profit organizations.

3 GOOD HEALTH AND WELL-BEING	Cooperating with non-profit organizations to improve medical coverage, especially for the less fortunate, with a focus on cancer patients, in addition to encouraging bank employees to adopt healthy habits.
4 QUALITY EDUCATION	Cooperating with non-profit organizations and investing in developing the infrastructure of the education sector in Jordan, with the aim of achieving the greatest impact on education outcomes, which will benefit the community.
5 GENDER EQUALITY	The Arab Bank aims to promote a culture that supports female work in the bank, as we work to attract and develop the capabilities of female bank employees and not to tolerate any discrimination on the basis of gender.
7 AFFORDABLE AND CLEAN ENERGY	The Bank invests in environmental infrastructure projects in the community, in addition to focusing on the efficiency of operations in all its internal works, which contribute to reducing its environmental footprint and the costs involved.
8 DECENT WORK AND ECONOMIC GROWTH	The sustainable growth of the Bank enables it to achieve a positive impact in the community, and the Bank continues to support this impact directly through the recruitment and training of local employees in addition to local procurement practices.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	The bank supports the local economy through its financial activities, which include its products for small and medium companies, with a focus on financial technology. These activities have a positive impact on improving sustainable industrial activity, which creates job opportunities for community members.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	The Bank raises awareness of the importance of implementing sustainability in business, in addition to the Bank's commitment to issue sustainability reports annually to demonstrate its efforts in implementing sustainability in its business.
17 PARTNERSHIPS FOR THE GOALS	The Bank supports the efforts of civil society institutions that achieve employment and create job opportunities, in conjunction with supporting the implementation of sustainability and issuing sustainability reports in Jordan.