

Value crisis in corporate world around the globe significantly increased the need to find new management paradigm to deal with existing ethical dilemma. Study investigates inherent flaws of the contemporary corporate management in general and value based corporate management in particular. Study identifies that weaknesses of current corporate management stem from two main factors first lack of values and ethics and second loss of leadership integrity. A questionnaire containing 50 items was developed and validated. Study was carried out by taking a sample of 302 managers from manufacturing and service sectors of Pakistan. Data was processed and analyzed in SPSS and VPLS.

Results of the study indicate that there is significant and positive relationship among values and ethics, managerial performance and welfare and protection of all stakeholders of organization.

Findings suggest that management by example is a better management paradigm to curb many ethical ailments of modern enterprise. The current study developed 'Islamic VBM Score' to assess VBM practices in an organization from Islamic perspective. Furthermore, results suggest that Islamic leadership tries to take the organization towards total value based management through ensuring welfare and protection for all stakeholders of organization including shareholders, employees, customers and society at large.

This study concludes that Islamic leadership in value based corporate management theory ensures satisfaction of all stakeholders of organization.