

# The Effect of IWE on Organization and Performance

*by* Tjahjani Prawitowati

---

**Submission date:** 02-Oct-2022 07:51AM (UTC+0700)

**Submission ID:** 1913961296

**File name:** ffect\_of\_Islamic\_work\_ethics\_on\_organization\_and\_performance.pdf (456.63K)

**Word count:** 5459

**Character count:** 29058

# The Effect of Islamic work ethics (IWE) on organization and performance: Evidence from an oil gas company

Moh Shoim<sup>1</sup>, Abdul Mongid<sup>2</sup>, Tjahjani Prawitowati<sup>3</sup>

<sup>1,2&3</sup> STIE Perbanas Surabaya, Nginden Semolo Street 34-36, Surabaya, 60118, East Java, Indonesia

## ARTICLE INFO

### Article history:

Received

Revised

Accepted

JEL Classification:

### Key words:

Islamic Work Ethics,

Job Satisfaction

Intrinsic Motivation,

Organizational Commitment,

Performance.

DOI: 10.6084/m9.figshare.9810932

ISBN: 978-623-92358-0-2

## ABSTRACT ← 11

This study aims to examine the effect of Islamic Work Ethics (IWE) on Organizational Commitment and Performance with Job Satisfaction and Intrinsic Motivation as mediating variables. The method used in this study is the survey method, the sample consists of all employees of PT. PHE WMO Gresik and collected using a questionnaire. This study examines the influence between variables by using partial least square (PLS). The results of the study indicate that Islamic Work Ethics has a direct influence on Organizational Commitment and Performance. Meanwhile, Job Satisfaction and Intrinsic Motivation can be considered as a variable that connects the mediating variables of Islamic Work Ethics to Organizational Performance and Commitment.

The implication of this research is to encourage companies to pay attention to organizational commitment and performance to create good relationships between employees and the company...

## ABSTRAK

Penelitian ini bertujuan untuk menguji pengaruh Etika Kerja Islam (EKI) terhadap Komitmen Organisasi dan Kinerja dengan Kepuasan Kerja dan Motivasi Intrinsik sebagai variabel mediasi. Metode yang digunakan dalam penelitian ini adalah metode survei, sampel terdiri dari semua karyawan PT. PHE WMO Gresik dan dikumpulkan menggunakan kuesioner. Penelitian ini menguji pengaruh antar variabel dengan menggunakan partial least square (PLS). Hasil penelitian menunjukkan bahwa Etika Kerja Islam memiliki pengaruh langsung terhadap Komitmen dan Kinerja Organisasi. Sementara itu, Kepuasan Kerja dan Motivasi Intrinsik dapat dianggap sebagai variabel yang menghubungkan variabel pemediasi Etika Kerja Islam pada Kinerja dan Komitmen Organisasi.

Implikasi dari penelitian ini adalah mendorong perusahaan untuk memperhatikan komitmen dan kinerja organisasi untuk menciptakan hubungan yang baik antara karyawan dan perusahaan.

## 1. INTRODUCTION

The Islamic work ethic is an orientation to 'work' which is rooted in the principles of Islamic Sharia (Abdi : 2014), Individual perceptions of work ethics are generated by their religious faith and cultural values.

Organizations in this era of globalization required to be able to adjust to the circumstances of the moment, and all that can be done by organization which is supported by the quality of human resources (HR) is adequate.

The quality of human resources (HR) is high for supporting organization, because man is a manager, a lawyer and driving tour activities other resources in an organization. Therefore necessary instrument, pattern, or approach in improving the

quality of human resources (HR).

Increasing the quality of human resources (HR) is a natural process of change experienced by a country that was Berke m bang. The critical attitude of the community that is starting to grow at this time is among others the birth of demands for the performance of employees, especially in public organizations both State-Owned Enterprises (BUMN) or other government agencies. Both BUMN and government agencies should have employees with good performance and high commitment to the organization.

Employee performance is an issue that must be considered seriously by the organization, because along with the times, the performance will affect the quality and quantity of an organization. There-

\* Corresponding author, email address:mohshoim@gmail.com

fore, having reliable human resources (HR) is needed by the organization, so that organizational goals are achieved and can improve the performance of an organization

From our interviews with HRD, Workers at PT. Pertamina Hulu Energi WMO (PHE WMO) tends to feel at home and rarely change jobs, but does not rule out the possibility that employees will also move to other places because of more attractive offers in other oil and gas companies

According to Allen & Meyer (1990) in mohamed Farah Abdi, et. al (2014) Organizational Commitment is a psychological state that reflects employees in an organization where employees work.

According to Gheitani, et. al (2018) concluded that the Islamic Work Ethics (IWE) has a positive effect on job satisfaction and Organizational Commitment with intrinsic motivation as mediator.

Research from Hayati and Chaniago (2012) provides results that Islamic work ethics (IWE) directly influence intrinsic motivation, job satisfaction, and organizational commitment as well as intrinsic motivation and job satisfaction moderate the relationship between Islamic work ethics (IWE) and organizational commitment and the performance.

The results of the study of Awan, et al (2014 ) showed that there was a significant influence between Islamic work ethics (IWE) on employee performance .

According to Abdi (2014 ), Islamic work ethics (IWE) has an influence on performance, but Islamic work ethics (IWE) does not significantly affect organizational commitment.

Hidayat, and Tjahjono (2015) revealed that there is a positive and significant influence between Islamic work ethics (IWE) on intrinsic motivation, (2). there is a positive and significant influence between Islamic work ethics (IWE) on job satisfaction, (3). there is positive and significant correlation between Islamic work ethics (IWE) toward organizational commitment (4). there is a positive and significant influence between intrinsic motivation on organizational commitment, (5). there is positive and significant correlation between intrinsic motivation toward job satisfaction.

Rachmawati and Sudarma (2016) provide the results of the study showing there is a positive influence between job satisfaction on organizational commitment. Intrinsic motivation proved to mediate the association of Islamic work ethics and job satisfaction on organizational commitment.

Rokhman's research (2010) shows that Islamic

work ethics (IWE) has a positive effect on job satisfaction and organizational commitment, whereas there is no significant evidence about the effect of Islamic work ethics (IWE) on turnover intention.

PT. PHE WMO is a subsidiary of PT. Pertamina Hulu Energi which is one of the state owned enterprises (BUMN) in Indonesia under the auspices of PT. Pertamina (Persero) has actually had the capacity of employees with high quality performance, but there are currently many problems related to the optimization of employee performance

Based on several studies on organizational performance and commitment related to Islamic work ethics (IWE), many found that Islamic work ethics (IWE) had an influence on organizational performance and commitment, also some studies added the presence of intrinsic motivation and job satisfaction as their mediation.

From the literature, the authors conducted research on employees who work at PT. PHE WMO. From the results of an interview with the HRD section (Ms. Suyuni, 2018) mentioning performance optimization is needed for organizational efficiency and also organizational commitment is needed so that employees feel the organization is part of the lives of employees.

Based on these reasons the author chose the title " The Effect of islamic work ethic on organization and performance: Evidence from an oil gas company "

## 2. THEORETICAL FRAMEWORK AND HYPOTHESES

### Islamic work ethics (IWE).

According to Beekun (1996) in Rokhman (2010) defines ethics as a set of moral principles that distinguish what is right and what is wrong. Ethics is a normative field because it determines what must be done or not done. Ethics covers moral issues and choices and deals with right and wrong behavior..

According to Salahudin, et al (2016 ) Islamic work ethics is an ethical concept based on Islamic teachings and principles that rely on faith

Rizk in Marri (2012) stated that Islamic work ethics is an orientation towards work, and the virtue approaches human life. Islam places the highest on ethical values because it regulates all aspects of life

From some definitions above, it can be concluded that Islamic work ethics (IWE) is a principle, value system, or orientation held by an organization in determining work behavior or business decisions that are right and wrong based on Sharia, namely the Qur'an and the Prophet Muhammad's Hadith

### **Job Satisfaction (JS)**

Robbins & Judge (2013) states that job satisfaction is when employees work happily which results in good performance

According to Schermerhonet. al. in Keumala (2012), job satisfaction is defined as an attitude that reflects a person's feelings for his work or work arrangements at a certain point in the team

From several definitions above, it can be concluded that job satisfaction is a positive or negative feeling of a person in the workplace that affects the actions of employees at work

### **Intrinsic Motivation (IM)**

According to Siagian (2014) in Hidayati (2017). Motivation is the driving force, reasons, or impulses in the human being that cause humans to do actions or behave

Ryan and Deci (2000) in Hayati and Chaniago (2012) state that intrinsic motivation refers to doing something because it is inherently interesting or fun

From some of the definitions above, it can be concluded that Intrinsic Motivation is a driving motivation for someone in the workplace that causes employees to do something at work

### **Organizational Commitment (OC)**

The three component model of Organizational commitment filed by Allen & Meyer (1993) in Robbins & Judge (2013), are as follows:

#### **1. Affective commitment**

Affective Commitment Is an emotional feeling for the organization and belief in its values. Employees with strong affective commitment will continue their work because they really want to do it.

#### **2. Continuance commitment**

Continuance commitment is a condition that persists in the organization due to economic motives. Employees who survive in the organization based on this commitment are based on the need for the organization.

#### **3. Normative commitment**

Normative Commitment Is a condition where the obligation to stay in the organization for moral or ethical reasons. Employees who have a high normative commitment, will stay in the organization because they feel they have to remain in the organization.

From the definition above can be concluded that Organizational Commitment is feeling the person who causes a person to survive or leave organization

isation where employees work terebut

### **Performance (PER)**

Jex (2002) in Abdi (2014) states that In general performance refers to how well someone can do his job. Job performance can also be defined as all behaviors performed by employees at work.

According to Porter and Lawler in Abdi (2014), there are three ways to determine the level of performance, namely

1. The number of sales and production levels is increasing
2. The rating or performance of the employee manager is mentioned (Managers Rating)
3. Self appraisal

Performance according to Hersey and Blanchard in Abdi (2014) is the level of achievement of business and social goals and responsibilities.

### **Relations between variables and Hypothesis Islamic Work Ethics (IWE) on Performance**

According to research Abdi et al. (2014) Islamic work ethics (IWE) significantly influence employee performance, but Islamic work ethics (IWE) does not affect organizational commitment. This study the author uses as a reference in this study, that Islamic work ethics (IWE) significantly influence employee performance

In addition, according to Hayati and Chaniago (2012) there is also a relationship between Islamic work ethics (IWE) and employee performance even though the effect is greater between intrinsic motivation on performance than Islamic work ethics (IWE) on performance.

According to Aswan (2014) Islamic work ethics (IWE) significantly influences employee performance by emphasizing employee organizational commitment

#### **H1: Islamic work ethics (IWE) has a significant effect on performance**

### **Islamic work ethics (IWE) on organizational commitment**

According to KeumalaHayati and Indra Chaniago (2012) Islamic work ethics (IWE) have a positive effect on organizational commitment, Islamic work ethics (IWE) directly influences intrinsic motivation, job satisfaction, organizational commitment with job satisfaction and intrinsic motivation as mediators

In contrary to KeumalaHayati's research Abdi (2014) revealed that performance is significantly related to Islamic work ethics but on the other hand organizational commitment is not significantly re-

lated to Islamic work ethics.

Aswan (2014) found in his research that there is a relationship between Islamic work ethics (IWE) on organizational commitment.

**H2: Islamic work ethics (IWE) has a significant effect on organizational commitment**

**Islamic work ethics (IWE) on performance through intrinsic motivation**

According to Hayati and Chaniago (2012) Islamic work ethics (IWE) have a positive effect on performance through intrinsic motivation, Islamic work ethics (IWE) directly influences intrinsic motivation, job satisfaction, organizational commitment with job satisfaction and intrinsic motivation as mediators

Ghannad (2016) states that Intrinsic Motivation mediates an indirect relationship between Islamic work ethics and Organizational Commitment and performance

**H3: Islamic work ethics (IWE) has a significant effect on performance through intrinsic motivation**

**Islamic work ethics (IWE) towards organizational commitment through intrinsic motivation**

According to Hayati and Chaniago (2012) Islamic work ethics (IWE) have a positive effect on organizational commitment through intrinsic motivation as mediators

Rahmawati and Sudarma (2016) also mentioned that there was a positive and significant influence between Islamic work ethics on organizational commitment and intrinsic motivation as mediator

**H4: Islamic Work Ethics (IWE) has a significant effect on Organizational Commitment through Intrinsic Motivation**

**Islamic work ethics (IWE) on performance through job satisfaction**

According to Hayati and Chaniago (2012) Islamic work ethics (IWE) have a positive effect on performance and job satisfaction as mediators, Hayati also mentions that Islamic work ethics (IWE) directly influence intrinsic motivation, job satisfaction, organizational commitment and satisfaction. work and intrinsic motivation as a mediator in his research

Titisari (2012) mentions the relationship between work culture and performance and job satisfaction as mediator

**H5: Islamic work ethics (IWE) has a significant effect on performance through job satisfaction**

**Islamic work ethics (IWE) towards organizational commitment through job satisfaction**

According to Hayati and Chaniago (2012) Islamic ethics (IWE) have a positive effect on organizational commitment to job satisfaction as mediators, Hayati also mentions that Islamic work ethics (IWE) directly influences intrinsic motivation, job satisfaction, organizational commitment with job satisfaction and intrinsic motivation as a mediator in his research

**H6: Islamic work ethics (IWE) has a significant effect on organizational commitment Job satisfaction.**



Figure 1. Research model framework

**3. RESEARCH METHOD**

**Location, Population and Samples**

The population of this research is all employees who work at PT. PHE WMO Gresik, East Java with 129 employees. Questionnaires are distributed in the form of Offline or electronic mail for employees who work in Offshore locations. Data processed is primary.

**Research and Instrument Variables**

There is one independent variable namely the Is-

lamic Work Ethics (IWE) and two dependent variables consisting of Organizational Commitment and Performance and two mediating variables are Job Satisfaction and Intrinsic Motivation.

**Assessment Techniques**

Evaluation techniques for measuring research instruments were carried out using a Likert scale with an assessment scale using scores of 1 to 5, variations in the answers for each question item were "strongly agree", "agree", "Neutral / Average", "No

agree "and" strongly disagree. "Each answer choice is given a value of 1 for negative negative answers and 5 for positive extreme answers. All respondents' answers were further processed using the Structural Equation Model (SEM) approach using WarpPLS 6.0 software.

#### Data analysis techniques

Data analysis for hypothesis testing was carried out using WarpPLS 6.0 software. WarpPLS 6.0 is used because the advantages of such data are not always normally distributed and the sample size

does not have to be large (Ghozali, 2014). In addition, there are two steps that must be taken in carrying out the analysis using PLS. The first stage is the measurement model (external model) by testing reliability and validity. Then, the second stage is to test the structural model (inner model) which includes the ability to predict the model and the relationship between variables.

#### Measurement

**Table 1.**  
**Instrument Details for Measurement of Research Variables**

VARIABEL	DIMENTION	CODE	NO	INDICATOR	ITEMS
Instrument by Ali (1988) in Rokhman (2010)	Islamic Work Ethics (IWE)	EKI01	1	Dedication in work	4
		EKI02	2	Useful work	1
		EKI03	3	Justice and generosity at work	1
		EKI04	4	Productive work	1
		EKI05	5	Do the best of his abilities.	1
		EKI06	6	Work promotes self-development and social relations	2
		EKI07	7	Human relations	1
		EKI08	8	Work will more quickly achieve progress in life.	3
		EKI09	9	Work hard to fulfill his responsibilities.	1
		EKI10	10	The work value is determined by the intention that accompanies it rather than the results of his work.	1
Dubinsky and Harley (1986) in Rokhman (2010)	<i>Job Satisfaction(F)</i>	KP01	1	Feel satisfied with the work they have	1
		KP02	2	Feel satisfied with the achievements	1
		KP03	3	Feel satisfied with the type of work they have	1
Warr, et al (1979) in Hidayat (2015)	<i>Intrinsic Motivation</i>	MI01	1	I feel personal satisfaction when I work well	1
		MI02	2	I feel uncomfortable when doing this job badly	1
		MI03	3	I am proud to be able to work as well as I can	1
		MI04	4	I feel sad when working is not on target	1
		MI05	5	I want to see an advanced organization because of my dedication	1
		MI06	6	I try to think of effective and fun ways to work	1
Bozeman dan Perrew (2001) dalam Rokhman (2010),	<i>Organisational Commitmen</i>	KO01	1	willing to work more than the task they should	1
		KO02	2	discuss workplace organizations with friends because they are proud	1
		KO03	3	Accept all types of work provided	1
Rabindra Kumar Pradhan & Lalatendu Kesari Jena (2017)	<i>Task Performance</i>	TP01	1	Using high work standards	1
		TP02	2	Able to work without supervision	1
		TP03	3	Eager at work	1
		TP04	4	Willing to do many tasks at work	1
		TP05	5	Complete work on time	1
		TP06	6	High performance	1
	<i>Adaptive Performance</i>	AP01	1	Works well for collective intelligence	1
		IP02	2	Can manage change	1
		IP03	3	Handle effective work teams for change	1

		IP04	4	Mutual understanding is the solution in the team	1	
		IP05	5	Often lose patience in facing criticism	1	
		IP06	6	Comfortable with work flexibility	1	
		IP07	7	can handle organizational changes from time to time	1	
		Contextual Performance	CP02	1	Willing to help co-workers anytime	1
			CP02	2	Willing to handle more responsibilities	1
			CP03	3	empathize with coworkers when in trouble	1
			CP04	4	Active in discussions and meetings	1
			CP05	5	appreciate the achievement of colleagues	1
			CP06	6	Feel happy to gather with many people in the organization	1
CP07	7		Share ideas and knowledge in the team	1		
CP08	8		Coordinate well	1		
CP09	9		Become a tutor for new employees	1		
CP10	10		Communicate actively in decision making	1		

Source: data processed

#### 4. DATA ANALYSIS AND DISCUSSION

##### Characteristics Analysis of Respondents

Analysis of data about the characteristics of respondents was performed to describe the characteristics of employees of PT. PHE WMO Gresik. The total population is 129 respondents, of which 106 (82%) are male and 23 (18%) are women. From the length of work 37 (29%) had a working period of 3-6 years, 43 (33%) had a working period of 6-9 years, and 49 (38%) had a tenure of > 9 years. In terms of education, 7 (5%) employees are senior high school level, 15 (12%) employees are D3 level, 98 (76%) kar-yawan are undergraduate and 9 (7%) master level

##### Outer Model Measurement

In this stage, this is a test of reliability and validity for the research model. Reliability test was carried out using composite references and composite cronbach alpha while validity tests used convergent references and discriminant validity.

##### Descriptive analysis

Descriptive analysis is used to provide an overview of the variables in this study, namely the variable Islamic Work Ethics, Job Satisfaction Variables, Intrinsic Motivation Variables, Organizational Commitment Variables and Performance Variables. These variables will describe the characteristics of respondents and respondents' answers to the statements in the questionnaire for each variable and for respondents' answers obtained from the magnitude of the mean class interval after it is known then made a range of scales, so it can be seen where the average rating of respondents for

each variable questioned in the questionnaire

Following are the responses of respondents in this study.

Tabel2.  
Respondents response

Variable	N	Minimum Average	Maximum Average	Average	Rating
IWE	99	3,99	4,84	4,40	Strongly agree
JS	99	3,80	3,93	3,87	Agree
IM	99	4,09	4,58	4,37	Agree
OC	99	3,62	3,99	3,84	Agree
PER	99	2,13	4,40	4,12	Agree

Source: data processed

Based on the table above it can be explained that the Performance variable has the lowest overall average of 2.13, while the Islamic Work Ethics (IWE) variable has the highest overall average of 4.40

##### Partial Least Square (PLS) Analysis Measurement Model (Outer Model)

In the results of the research in the outer model, it will be known how each indicator relates to the latent variable. To measure it can be seen from the validity or it could be the next AVE value of the reliability value as follows:

Tabel 3  
The AVE Value of Structural Model (1st Step)

Latent Construct	AVE	Minimum Standart	Criteria
Islamic Work Ethics	0.537	0,5	Valid
Job satisfaction	0.798	0,5	Valid
Intrinsic Motivation	0.526	0,5	Valid

Organizational Commitment	0.671	0,5	Valid
Performance	0.299	0,5	Invalid

Source: data processed

As based on the first validity test presented in Table 3, the AVE score shows that the latent construct for Performance is proven invalid because the AVE value for the construct is still below the standard value of 0.5. This shows that some items that have a Load Factor value below 0, 6 must be issued in the 2nd structural model to allow the AVE value of the Performance variable so that it can increase.

Tabel 4  
The AVE Value of Structural Model (2<sup>nd</sup> Step)

Latent Construct	AVE	Minimum Standart	Criteria
Islamic Work Ethics	0.537	0,5	Valid
Job satisfaction	0.798	0,5	Valid
Intrinsic Motivation	0.526	0,5	Valid
Organizational Commitment	0.671	0,5	Valid
Performance	0.505	0,5	Invalid

Source: data processed

Referring to Table 4, this shows that all latents built are proven valid because the AVE value is higher than 0.5 which is the minimum standard value in WarpPLs. In addition, the results of the Cross Loadings test on latent construction items that show all items proved valid because the cross-loading correlation values of latent constructs were higher than the cross-load correlations with other latent constructs.

Tabel 5  
Composite Reliability

Value	IWE	JS	IM	OC	PER	Re-mark
Composite Reliability	0.935	0.922	0.864	0.858	0.889	Reliable
Criteria	≥ 70					
Cronbach	0.919	0.873	0.806	0.750	0.869	Good

Criteria	≥ 50 Good
	≥ 30 sufficient

Source: data processed

Convergent validity and composite reliability. In convergen validity the value of a factor loading is > 0.70, but a value between 0.50–0.60 is still acceptable. Another measurement of convergent validity is to look at the value of AVE (Average Variance Extracted). From the description above, the results of the analysis are explained in Table 4.

Based on Table 4, the values of the four constructs have met the criteria for conver-gent validity which is > 0.50–0.60 and greater than the value of AVE. Then the construct is declared good and feasible.

Furthermore, the construct reliability test can be measured by two criteria, namely composite reliability and cronbach's alpha. A construct is declared reliable if the composite composite value is > 0.70. while the value of Cronbach's alpha has a criterion ≥ 30 means enough and ≥ 50 means Good

Based on these explanations, the results of the analysis will be explained in Table 2. From the results of the analysis above, it can be seen that the composite reliability value of all variables is > 0.70 so it is declared reliable. Then the cronbach's alpha value indicates that all the variable values ≥ 0.50 are declared good.

#### Model Estimates

The following is the estimation of the processed model from WARPPLS 6.0



Table 6  
Results of Model Estimation on Testing

Variable	P Value	Beta	R Square	Remark	Variable	P Value	Beta	R Square	Remark
IWE-OC	0,1	0,33	0,1	Significant					
IWE-PERF	0,1	0,40	0,4	Significant					
IWE-IM	0,1	0,51	0,26	Significant	IM-PERF	0,1	0,35	0,4	Significant
				Significant	IM-OC	0,01	0,21	0,29	Significant
IWE-JS	0,1	0,31	0,1	Significant	JS-PERF	0,39	0,03	0,4	Not Significant
				Significant	JS-OC	0,03	0,18	0,29	Significant

Source: data processed

The following are the results of the Model Estimates in the Test, namely:

**Effect of Islamic Work Ethics (IWE) (X) on organizational commitment (Y1)**

IWE has a significant positive effect on Organizational Commitment because the value of p value is  $0.01 < 0.05$  so it is significant, thus the hypothesis "accepted".

**Effect of Islamic Work Ethics (IWE) (X) on Performance (Y2)**

IWE has a significant positive effect on Performance because the p value is  $0.01 < 0.05$  so it is significant, thus the hypothesis "accepted".

**Effect of Islamic Work Ethics (IWE) (X) on performance (Y1) through intrinsic motivation (Z1)**

IWE has a significant positive effect on Performance through Intrinsic Motivation because the value of p value is  $0.01 < 0.05$  so it is significant, thus the hypothesis "accepted".

**Effect of Intrinsic Motivation (Z1) on organizational commitment (Y2) through intrinsic motivation (Z1)**

IWE has a significant positive effect on Organizational Commitment through Intrinsic Motivation because the value of p value is  $0.01 < 0.05$  so it is significant, thus the hypothesis "accepted".

**Effect of Islamic Work Ethics (IWE) (X1) on performance (Y1) through job satisfaction (Z2)**

IWE has a significant positive effect on Performance through Job Satisfaction because the value of p value is  $0.01 < 0.05$  so it is significant, thus hypothesis

(4) "Accepted" But for mediation, Job Satisfaction has no significant effect on Performance because the P value is  $0.39 > 0.5$ , thus the hypothesis is "not accepted"

**Effect of Islamic Work Ethics (IWE) (X1) on Organizational Commitment (Y2) through job satisfaction (Z2)**

IWE has a significant positive effect on Performance through Job Satisfaction because the value of p value is  $0.01 < 0.05$  so it is significant, thus hypothesis (4) "Accepted" and for mediation Job Satisfaction has a significant effect on Organizational Commitment because the value of P  $0.03 < 0.5$  thus the hypothesis is "accepted"

This study shows the same results as previous research conducted by KeumalaHayati and Indra Caniago (2012) which states that there is a significant relationship between Islamic work ethics (IWE) and Organizational Commitment and Performance, but in contrast to Keumala's research, this study having a Job Satisfaction result does not have a significant effect on Performance because its P value is  $0.39 > 0.5$

This research is also the same as previous research by Awan, et. Al (2014) which states that there is a significant influence between Islamic work ethics (IWE) on employee performance.

This research is also the same as Awan (2014) research which states that Islamic work ethics (IWE) has a positive impact on organizational commitment.

**5. CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS**

Based on the research that has been done, it can be concluded that all hypotheses are accepted, namely where:

(1) Islamic work ethics (IWE) has a significant effect on performance (2) Islamic work ethics (IWE) has a significant influence on organizational commitment (3) Islamic work ethics (IWE) has a significant effect on performance through intrinsic motivation (4) Islamic work ethics (IWE) have a significant effect on organizational commitment through intrinsic motivation (5) Islamic work ethic (IWE) does not have a significant influence on performance through job satisfaction (6) Islamic work ethics (IWE) has a significant effect on organizational commitment through job satisfaction.

This study provides the conclusion that Islamic work ethics (IWE) is very important in influencing Organizational Performance and Commitment at PT. PHE WMO So that employees who apply the Islamic Work Ethics (IWE) at work will tend to be focused on work and discipline according to Islamic Sharia guidelines.

Employee satisfaction will have a positive impact on the Company, for example employees will be loyal to the company even though there are many tempting offers. This will be achieved when employees are satisfied with the facilities provided by the company.

Research carried out by researchers is a continuation of pre-existing theories. This is expected to obtain results that can be used as benchmarks in decision making in the future.

The results of this study can be input to the management of PT. PHE WMO which is the employee's spearhead. The results of these studies are important for management in paying attention to employee welfare which has implications for organizational commitment and performance in the company.

With this research also the management of PT. PHE WMO in order to pay attention to the workload borne by employees

Based on this research, further researchers can add respondents not only to permanent employees but also to employees of the Third Party Contract (TPC).

## REFERENCES

Abdi, Mohamed Farah, Siti Fatimah Dato' Wira Muhamad Nor and Nor Zuhairatun Md. Radzi (2014). "The Impact of Islamic Work Ethics on Job Performance and Organizational Commitment", *Proceedings of 5th Asia-Pacific Business Research Conference 17 - 18 February, 2014, Hotel Istana, Kuala Lumpur, Malaysia, ISBN: 978-1-922069-44-3*

Ali, Abbas 2001. Scalling an Islamic Work Ethic :*The Journal of Social Pshychology, 128(5), 575-583*

Awan, Khurram Zafar, Mussawar Abbas, Ibn e-Waleed Qureshi and Khurram Shahzad (2014) "Exploring the Relationship between Islamic Work Ethics, Employee Work Performance and the Mediation Role of Organizational Commitment". *J. Asian Dev. Stud, Vol. 3, Issue 3, Chanzanagh,*

Gheitani, Alborz, Saheb Imani, Nader Seyyedamiri, dan Pantea Foroudi (2018). "Mediating effect of intrinsic motivation on the relationship between Islamic work ethic, job satisfaction, and organizational commitment in banking sector" *International Journal of Islamic and Middle Eastern Finance and Management, 2018*

Ghozali, Imam and Latan, Hengky, "Partial Least Squares, Konsep, Metode, dan Aplikasi-menggunakan Program Warppls 4.0" Universitas Diponegoro Semarang, 2012

Hayati, K. dan Caniogo, I. (2012). Islamic Work Ethic: The Role of Intrinsic Motivation, Job Satisfaction, Organizational Commitment and Job Performance. *Procedia - Social and Behavioral Sciences 65 (2012) 272-277*

Hidayat, Syamsul & Tjahjono, Heru Kurnianto (2015). "Peran etika kerja Islam dalam mempengaruhi motivasi intrinsik kepuasan kerja dan dampaknya terhadap komitmen Organisasional. *Jurnal Akuntansi dan Manajemen AKMENIKA, Volume 13, nomor 1 April 2016. ISSN : 1978-1679*

Hidayati, Siti Noor and Ermiyanto, Antonius "Analisis Faktor Motivasi Intrinsik dan Motivasi Ektrinsik Pengaruhnya terhadap kinerja Karyawan dengan Kepuasan Kerja Sebagai Mediasi" *JurnalMaksipreneur, Vol. VII, No. 1, Desember 2017, hal. 18-30*

Marri, Muhammad Yousuf Khan, Arshad Mahmood Sadozai, Hafiz Muhammad Fakhari Zaman, Muhammad Israr Yousuf zai, Dr.Muhammad I. Ramay, (2016) "Measuring Islamic Work Ethics and Its Consequences on Organizational Commitment and Turnover Intention an empirical study at Public sector of Pakistan", *International Journal of Management Sciences and Business Research Volume 2, Issue 2- ISSN (2226-8235)*

Nizam, Shahrul bin Salahudin, Siti Sarah binti Baharuddin, Muhammad Safizal, " The Effect of Islamic Work Ethics on Organizational Commitment" *Procedia Economics and Finance 35 ( 2016 ) 582 - 590*

Rachmawati, Tiara and Sudarma, Ketut. (2016). Pengaruh Etika Kerja Islami dan Kepuasan

- Kerja pada Komitmen Organisasional Dengan Motivasi Intrinsik Sebagai Variabel Pemediasi. *Management Analysis Journal* 5 (3) (2016) ISSN 2252-6552
- Robbins, Stephen P and Judge, Timoty A. 2013. *Organizational Behavior*, 15 Edition, by Pearson Education, Inc., publishing as Prentice Hall.
- Rokhman, Wahibur (2010) "The Effect of Islamic Work Ethics on Work Outcomes". *EJBO Electronic Journal of Business Ethics and Organization Studie*, Vol. 15, No. 1 (2010)
- Siregar, Syofian (2012). *Metode Penelitian Kuantitatif Dilengkapi Dengan Perbandingan Perhitungan Manual dan SPSS*. Jakarta, Prenada media-Group
- Ghannad, Simin zeqeibi, Sirus alipoor birgani, & Sahar Hesami "Causal relationship between Islamic work ethic and organizational self-esteem with Organizational Commitment and Job Performance with mediating role of Intrinsic Motivation in employees of Naft Company", *Journal of Science and Today's World* 2016, volume 5, issue 3, pages:86-89
- Titisarie, Purnamie "Culture and Its Impact on The Working Performance of Governemet Staff Through Job Satisfaction" *Journal of Economics, Business, and Accountancy Ventura Volume 15, No. 2, August 2012, pages 219 - 230*

# The Effect of IWE on Organization and Performance

---

## ORIGINALITY REPORT

---

3%

SIMILARITY INDEX

4%

INTERNET SOURCES

4%

PUBLICATIONS

2%

STUDENT PAPERS

---

## PRIMARY SOURCES

---

1

[e-journal.iainpekalongan.ac.id](http://e-journal.iainpekalongan.ac.id)

Internet Source

3%

---

Exclude quotes  On

Exclude matches  < 2%

Exclude bibliography  On