



The Impact of Islamic Work Ethics and Motivation on Employee Performance: A Case Study of BMT Ar-Rahmah Jaya Mulia, Central Lampung

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ABSTRACT

This research aims to determine the influence of Islamic work ethics and work motivation on employee performance, in this study quantitative methods. The population used is all employees at BMT Ar-Rahmah Jaya Mulia Central Lampung, totalling 35 employees. The sampling technique used is a saturated sampling technique, where the entire population is sampled in the study so that a research sample of 35 employees is obtained. At the same time, the data collection technique used is the distribution of questionnaires. Data is processed using SmartPLS version 4.0. The results show that Islamic work ethics have a positive and significant effect on employee performance, and work motivation has a positive and significant effect on employee performance.

1. Introduction

Economic development in Indonesia, especially in the business world, is increasingly visible at the level of competition. It requires the company or organization to be able to improve employee performance in achieving increased productivity in quality and quantity, so that it can compete with other companies and even be able to be above other companies.

Human resources or employees play an important role in achieving goals for the company or organization. It requires companies or organizations always to try to find effective ways and policies to improve employee performance, one of the efforts that can be done by carrying out employee performance appraisals. Performance is the result of work that can be achieved by a person or group in an organization in accordance with their respective authorities and responsibilities in order to achieve the goals of the organization concerned legally, not violating the law and in accordance with morals and ethics.^[1] Individual performance will affect the company's performance comprehensively. In order to create the performance expected by the company, the management must be able to create a conducive work environment and be sensitive to employee conditions. The company must also be able to overcome problems that often arise related to employee performance. Many things affect individual performance, including the motivation of the employee and the culture of the organization. Islamic work ethics can be defined as a set of values or belief systems that are from the Qur'an and the Sunnah regarding work.

Islamic Work Ethics, according to Yaseen et al., is an orientation that implies work as a virtue in meeting one's needs that can build balance in one's personal and social life, which comes from the Qur'an and the Sunnah of the Prophet Muhammad Sallallahu 'Alaihi Wasallam. Thus, it can be known that Islamic Work Ethics is a set of values and beliefs in aspects of work that are guided by the Qur'an and the Hadith of the Prophet Sallallaahu 'Alaihi Wasallam, which can produce virtue and build balance in one's life. Islamic work ethics view dedication to work as a virtue. To do so, sufficient effort must be on everyone in their work because of the view that work is a form of obligation, so everyone must be able to work together and be able to overcome obstacles and avoid mistakes together. To improve employee performance work motivation is needed that can encourage employees to improve employee performance. Factors that affect employee motivation, according to Herzberg, consist of two factors, namely, motivation factor and hygiene factor. The motivation factor is the thrust that arises from within each employee. At the same time, the hygiene factor is a push that comes from outside employees, especially from the organization or institution where they work. External encouragement of employees is usually in the form of compensation, compensation received, and the work environment as a support for workers.

BMT Ar-Rahmah Jaya Mulia Lampung Tengah is one of the sharia entities whose employees are all Muslims, so it has become a must for BMT Ar-Rahmah Jaya Mulia Lampung Tengah employees to make religion a *guiding principle* in work, one of which is by applying Islamic work ethics. However, based on an interview with one of the employees of BMT Ar-Rahmah Jaya Mulia Lampung related to negligence at work, the fact is that some employees use their work time to carry out personal activities, and the employees seem less enthusiastic in carrying out their work. It is feared that it will affect the performance of BMT Ar-Rahmah Jaya Mulia Lampung Tengah employees because one of the performance appraisal indicators is to be able to utilize working time optimally. Thus, it is necessary to analyze employee performance, one of which is by knowing the influence of Islamic work ethics and work motivation.

2. Literature Review

Islamic Work Ethics Theory

Islamic Work Ethics are ethics formed by emulating the attitudes and behaviour of the Prophet Muhammad SAW and business decision-makers in accordance with generally applicable provisions while still prioritizing the Hadith and the Qur'an as the source of all sources of truth. (Ahmad Janan Asifuddin, 2004) Islamic work ethics are habits based on the Qur'an and Sunnah based on the advice of the Prophet Muhammad SAW. The four main concepts of Islamic work ethics include effort, competition, transparency and responsible behaviour. (Ali & Al-Owaihah, 2008)

Work Motivation Theory

Work motivation is an important concept in industrial and organizational psychology, which refers to factors that influence worker behaviour in carrying out tasks and achieving organizational goals. Several factors influence work behaviour, including the theory of the Hierarchy of Needs; in carrying out tasks, humans have five hierarchies of needs, namely, Physiological Needs: Food, water, and shelter. Security Needs: Physical and emotional safety, job stability. Social Needs: Sense of belonging, friendship, affection. Esteem Needs Recognition, appreciation, and status. Self-actualization needs the Realization of potential, creativity, and self-development. (Maslow, 2020) In addition, Husberg stated that two factors can influence work motivation, namely Hygiene Factors: Working conditions, salary, company policies, and relationships with superiors and coworkers. This factor does

not provide satisfaction, but its absence can cause dissatisfaction. Motivational Factors: Achievement, Recognition, the work itself, responsibility, and advancement. This factor provides job satisfaction and increases motivation. (Herzberg et al., 1959)

Employee Performance Theory

Employee performance is a measure of how an employee does their job and how effectively they achieve the goals set by the organization. Victor Vroom stated that their expectations of the desired results influence employee performance. This theory consists of three main components, namely, Expectations; meaning that employees believe that their efforts will produce good performance. The second factor is Instrumentality, meaning that good performance will produce good results. The third factor is Valence Value or individual interest in the results or rewards (Vroom & Jaago, 2007).

Furthermore, Bakker put forward the theory of balance and stated that the balance between job demands and the resources available to employees affects their performance. Adequate resources can help employees cope with job demands and achieve better performance (Bakker & Demerouti, 2007). The consequences of that behaviour influence work behaviour. Positive reinforcement (rewards) and negative reinforcement (removal of unpleasant conditions) can improve performance, while punishment can decrease performance (Kilzer & Skinner, 1953).

3. Research Method

This study used quantitative research. Quantitative methods are research based on the philosophy of positivism, used to examine certain populations or samples, collect data, use research instruments, and quantitative or statistical data analysis with the aim of testing hypotheses that have been set. This research is a type of survey research, which is to obtain data from certain natural places. Still, researchers carry out treatment in data collection, for example, by circulating questionnaires, tests, structured interviews and so on. The population in this study amounted to 35 employees. This number is the total number of employees working at BMT Ar-Rahmah Jaya Mulia Central Lampung. The sample of this study was 35. The data analysis technique used in this study is the Structural Equation Model (SEM) based on Partial Least Square (PLS) assisted by SmartPLS software. Data processing in this study uses smartPLS as an analytical tool to calculate the primary data obtained.

4. Results

1) R-Square Test Results

The R-square value can be used to assess the influence of certain endogenous variables and whether exogenous variables have substantive influences. R-Square values of 0.75 are strong, 0.50 is moderate (medium), and 0.25 is weak. If the value is greater, then this shows that the predictor of the model is getting better at explaining variance.

R-Square Test

Variable	R-square
Employee Performance	0.502

Source: processed data (2023)

It is known that the R-Square value of Employee Performance (Y) is 0.502, which means that Islamic Work Ethics (X1) and Work Motivation (X2) are able to explain Employee Performance by 50.2%. In comparison, the remaining 49% is influenced by other variables that were not studied in this study. So, it can be said that the R-Square on the Employee Performance variable is moderate.

2) Test the Hypothesis

To determine the *structural* relationship between latent variables, hypothesis testing must be carried out on the path coefficients between variables by comparing the p-value number with alpha (0.05) or *t-statistic* of (>1.96). The magnitude of the *P-value* and also *t-statistics* are obtained from the output on SmartPLS using the *bootstrapping* method. The following are the results of hypothesis testing in this study:

Test-Path Coefficient & Significance of Influence

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Islamic Work Ethics -> Employee Performance	0.372	0.381	0.165	2.261	0.026
Work Motivation -> Employee Performance	0.419	0.429	0.156	2.680	0.009

Source: Data processed (2023)

Based on the table above, this study has resulted in testing each hypothesis as follows:

1) Islamic Work Ethics Variables on Employee Performance

The results of the Islamic Work Ethics on Employee Performance show that the original sample value is 0.372, the P-value is 0.026, which means <0.05 , and the t-statistical value is $2.261 > 1.96$. So, it can be concluded that the Islamic work ethics variable (X1) has a positive and significant effect on employee performance. Based on these statements, the first hypothesis was accepted.

2) Work Motivation Variables on Employee Performance

The results of Work Motivation on Employee Performance showed that the original sample value was 0.419, the P-value was $0.009 < 0.05$, and the t-statistic value was $2.680 > 1.96$. So, it can be concluded that the variable of work motivation (X2) has a positive and significant effect on employee performance. Based on this statement, the second hypothesis is accepted.

5. Discussion

This study aims to explore how Islamic work ethics and motivation affect employee performance. The results of the study indicate that there is a significant relationship between Islamic work ethics and motivation with employee performance. The following discussion will discuss the implications of these findings, the limitations of the study, and recommendations for future research and practice.

The Effect of Islamic Work Ethics on Employee Performance Islamic work ethics, which include values such as honesty, responsibility, and sincerity, have been shown to have a significant positive impact on employee performance. These values encourage employees to work with high integrity and improve the quality and quantity of their work. This finding is

in line with previous studies showing that a strong work ethic can increase intrinsic motivation and productivity (Ali, 2009; Afsar & Badir, 2017).

Islamic work ethics emphasizes a balance between work and personal life and prioritizes hard work and fairness. It allows employees to feel more satisfied and committed to their work, which, in turn, has a positive impact on performance. In this context, companies can utilize Islamic ethical values as part of their organizational culture to improve employee performance.

The Role of Motivation in Improving Employee Performance Employee motivation is a crucial factor that influences performance. This study found that motivation, both intrinsic and extrinsic, contributes significantly to improving performance. Intrinsic motivation, which comes from personal satisfaction and a sense of achievement, affects work quality and creativity. Extrinsic motivation, such as rewards and incentives, also plays an important role in encouraging employees to achieve higher targets.

This finding supports the motivational theories proposed by Herzberg (1959) and Maslow (1943), which state that effective motivation must involve the fulfilment of basic needs as well as the achievement of higher needs. Organizations need to design a balanced motivational strategy to meet both aspects so that employees feel more involved and motivated.

Interaction Between Islamic Work Ethics and Motivation One of the main contributions of this study is the discovery that Islamic work ethics can strengthen the positive effects of motivation on employee performance. When employees operate within a clear and consistent ethical framework, they tend to feel more motivated and have higher work standards. It suggests that the integration of Islamic work ethics and motivation in company policies can create a productive and harmonious work environment.

Limitations of the Study This study has several limitations that need to be considered. First, the study sample is limited to a specific sector, which may not be fully representative of other industries. Second, the data collection method that relies on self-reporting can overcome subjective bias from respondents. To obtain more generalizable results, further research needs to consider a wider sample and data triangulation methods.

Recommendations for Further Research Further research can expand the scope of the study by involving different industry sectors and geographic locations. Research should also explore other moderating or mediating variables that may influence the relationship between work ethics, motivation, and performance. In addition, a qualitative approach can provide deeper insight into how work ethics and motivation are translated into everyday practice.

Practical Implications For management practitioners, the results of this study provide insight into how integrating Islamic work ethics into organizational culture can strengthen employee motivation and improve performance. Companies should design policies and training programs that emphasize the importance of ethical values and provide a motivating reward system. It can help create a more productive and ethical work environment.

6. Conclusion

1. Based on the research conducted, it was found that Islamic Work Ethics had a positive and significant effect on employee performance at KSPPS BMT AR-Rahmah Jaya Mulia. It is because it is proven that the higher the Islamic work ethic that an employee has at work, the better the employee's performance in doing his job.
2. Based on the research conducted, it was found that Work Motivation has a positive and significant effect on employee performance at KSPPS BMT AR-Rahmah Jaya Mulia. The stronger the drive or motivation and enthusiasm will be the higher the performance of employees.

7. Research Implications

Based on the research that has been done and the conclusions described above, if this research is utilized and researched more broadly and adjusted to its purpose, the following recommendations can be given:

1. For academics, it is hoped that the results of this research can add insight to readers and as a contribution to literature for future researchers.
2. For KSPPS BMT Ar-Rahmah Jaya Mulia which is the object of this study, it is expected to improve employee performance through Islamic work ethics and work motivation. It can provide rewards, training and career development regularly to employees to be better at work.

3. Further researchers are expected to be able to look for other related variables for further research.

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