

THE INFLUENCE OF ISLAMIC LEADERSHIP AND MOTIVATION ON EMPLOYEE PERFORMANCE IN SYAAMIL GROUP COMPANY

RIZA ZACHARIAS ^{1*} and FETTY POERWITA SARY ²

^{1,2} Master of Management, Faculty of Economics and Business, Telkom University, Indonesia.

Email: ¹rizazacharias@student.telkomuniversity.ac.id (*Corresponding Author), ²f.poerwitasary@gmail.com

Abstract

Company leaders have an influential role in terms of taking crucial decisions. The implementation of the leadership model has an equally important role in encouraging employee motivation and performance. Related to the vision of the Syaamil Group Company, which prioritizes values in Islam, Islamic leadership was chosen as a leadership model. This research aims to discover whether the implementation of Islamic leadership in the company can affect employee performance, particularly in the Syaamil group. Apart from Islamic leadership, there are also other factors to be studied related to motivation, which consists of extrinsic and intrinsic motivation. This research was conducted using the quantitative research method by distributing questionnaires to 183 employees of the Syaamil group. The data were analyzed using descriptive analysis and path analysis. Hypothesis testing was performed using Statistical Product and Service Solutions (SPSS). The results of the descriptive analysis show that the implementation of Islamic leadership scored 85.74%. This value illustrates how respondents feel about the implementation of Islamic leadership in the company. In addition, the value of the motivational variable was 82.76%. From the results of data processing, it is also known that the value of employee performance in the Syaamil group is 79%. Based on the results of data processing, the application of Islamic leadership in the Syaamil group has a significant effect on employee performance, along with the value of motivation which also have a significant effect on performance.

Keywords: Islamic Leadership, Motivation, Performance.

1. INTRODUCTION

Success in implementing leadership styles in organizations will help various companies survive through difficult times. It is also challenging for companies to survive in everyday situations, especially in crisis and pandemic situations. In the past few years, the business environments in Indonesia and even globally have been in a difficult situation. The nature of a leader and leadership style is one of the critical roles to help a company survive in a difficult situation. Leadership is closely related to a decision-making activity in every situation. The speed of decision-making and the quality of the decision itself determine the key to the success or failure of a leader in an organization (Negulescu & Doval, 2014). In addition, the key to success in team performance is also determined by the leadership style or model that is appropriate to the organization (Abudaqa et al., 2020). Motivated employee's help organizations become more successful because employees will always look for ways to move forward and improve their performance (Said et al., 2015). The Syaamil group is a company that applies a leadership style that is different from most leadership models in general. In leadership theory, there are many types and styles of leadership. The leadership theory itself has been put forward by many practitioners who are adapted to the leader's behavior. Several leadership styles, such as transformational, transactional, and laissez-faire leadership have different styles of behavior and each has advantages that are tailored to the character of the leader and the organization

(Gemedda & Lee, 2020). The decision of the Syaamil group to apply Islamic values in leadership (Islamic leadership) is a form of implementation of the company's vision. Islamic leadership itself has a close connection and relationship with prophetic leadership, where the Islamic leadership model is obtained by reading Sirah (the history of the Prophet) about how the Prophet carried out Islamic leadership in the most challenging times. So, describing this leadership model in the Syaamil group has the hope that every employee can understand the conditions being faced by the company and then jointly maintain and improve performance for the goal of the company's sustainability through a brotherly approach (*ukhuwah*). It is also hoped that the company can avoid failure in the future.

As research conducted by Chandra (2016), the stronger of employee's belief in the Islamic leadership system, the better the performance of employees will be. In addition, the higher employee motivation, the better the performance will be given. Other research conducted by Oktapiani (2018), says that the influence of Islamic leadership and motivation on performance is above 80%. However, research conducted by Rifki (2022), revealed that the application of Islamic leadership does not always affect employee performance. The differentiator in this study is the variables related to Islamic leadership itself. There are 8 (eight) values or dimensions in Islamic leadership. Motivation consists of intrinsic and extrinsic motivation with 7 (seven) dimensions. Each motivation plays a role in being able to encourage someone if their motives or needs are met (Yusuf & Sriwijaya, 2021). Without fulfilling both intrinsic and extrinsic needs, it will be quite difficult to motivate employees. This research was conducted so that companies can find out how the right leadership model is in an organization, especially the Syaamil group to improve company performance and company sustainability.

2. BASIC THEORY & METHODOLOGY

2.1 Islamic leadership

From an Islamic perspective, leadership starts from self-leadership. Then the ability to lead and organize yourself to stay above the goal as a servant of God. This self-leadership adheres to the values of truth and goodness in various situations and challenges. This responsibility continues to develop until it reaches universal leadership, namely a blessing for the universe (*rahmatan lil 'alamin*) (Rizky Rizaldy & Syarif Hidayatullah, 2021). In Islamic belief, the best example of leadership is the leadership of the Prophet Muhammad Sallallaahu 'alaihi wasallam. As a leader, the Prophet always put each priority scale in the right place (Al-Munajjid, 2014).

In the concept of Islamic leadership that has been exemplified by the Prophet Sallallaahu 'alaihi wasallam, it is reflected that a good leader must be able to do his best in everything related to leadership itself, such as in decision-making and the direction of an organization. The context of self-leadership can also be interpreted as the ability to make decisions to carry out daily activities and of course, it is very closely related to every profession, especially leaders in a company. A good leader will implement positive values that they and their team believe in as part of the effort to form a strong organization.

The following are values that are believed in the application of value-based leadership in Islam (Islamic leadership) based Daud (2014), and Rizaldy & Hidayatullah (2021):

- Trustworthy (*Al-sidq*)
- Guard (*Hafidz*)
- Strong (*Qowy*)
- Conveying (*Tabligh*)
- Obedience, Kindness (*Al-Birr*)
- Fair (*'Adl*)
- Expert (*'Aleem*)
- Faith (*Tawhid*)

2.2 Motivation

In general, motivation is defined as a person's encouragement to be able to do his job as expected. Luthans (2015), defines motivation as something that triggers someone to do something, where the motive is need and desire. Motivation is divided into two categories, namely intrinsic motivation and extrinsic motivation. According to Siagian (2014), intrinsic motivation arises from individuals who have individual goals in obtaining job satisfaction and organizational goals in achieving their goals (Yusuf & Sriwijaya, 2021). In intrinsic motivation, various dimensions describe things that become factors and indicators that can be measured. These indicators include:

- Personal Fulfilment
- Personal Fit
- Self-expression

Meanwhile, according to Luthans (2015), extrinsic motivation is the motivation that comes from outside the individual which helps determine a person's behavior in a person's life (Yusuf & Sriwijaya, 2021). According to Septina & Samuel (2020), extrinsic motivation consists of:

- Work environment (physical)
- Work environment (non-physical)
- Rewards
- Job Involvement

Based on previous research, the intrinsic and extrinsic variables together have an effect of 68.6% on a person's performance at work. The combination of intrinsic and extrinsic motivation affects almost 2/3 of all factors that affect job performance, while the remaining 1/3 is associated with other factors (Pangestu & Sary, 2018).

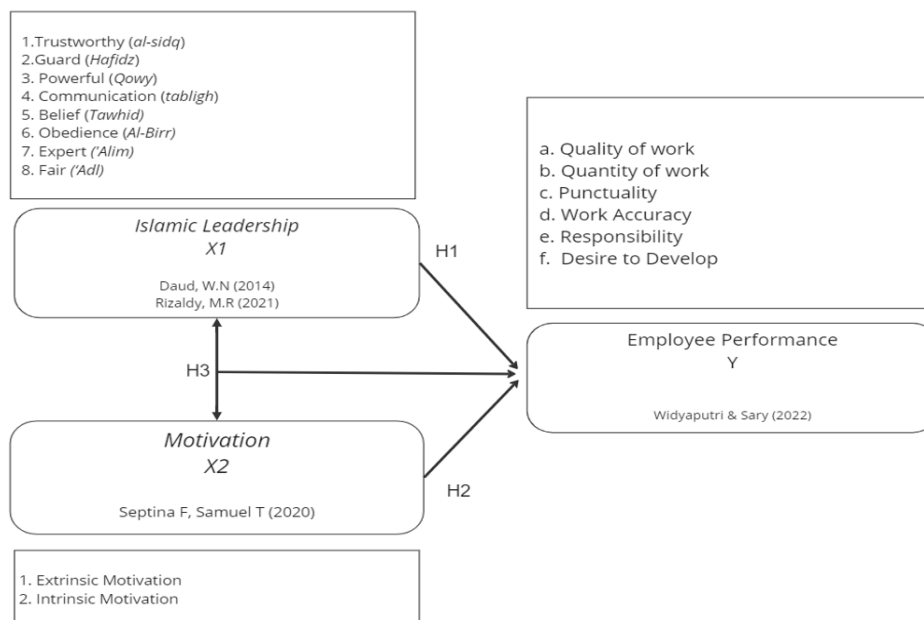
2.3 Performance

Performance is the result of work that can be done or achieved by a person or group of people in an organization following their respective authorities and responsibilities to achieve organizational goals legally, not breaking the law and by morals or ethics. Meanwhile, according to Widyaputri & Sary (2022), performance is the result of the quality and quantity

of work achieved by an employee in carrying out his duties, following the responsibilities given to him. The dimensions for measuring performance can be seen as follows:

- Quantity of work
- Quality of work
- Punctuality
- Work Accuracy
- Responsibility
- Desire to Develop

2.4 Conceptual Framework



From the framework above, the hypotheses proposed by the author are as follows:

1. Hypothesis 1

H01: Islamic Leadership has no significant positive effect on performance.

Ha1: Islamic Leadership has a significant positive effect on performance.

2. Hypothesis 2

H02: Motivation has no significant positive effect on performance.

Ha2: Motivation has a significant positive effect on performance.

3. Hypothesis 3

H03: Islamic leadership and motivation do not have a significant positive effect on performance.

Ha3: Islamic leadership and motivation have a significant positive effect on performance.

2.5 Methodology

This research will use quantitative methods. By definition, a quantitative method is a type of research that produces findings where the results are obtained from statistical procedures and quantification of measurements (Sujarweni, 2019). Then based on the objectives, this research uses descriptive research. According to Hair (2020), descriptive research describes situations or events by size. The measurement method that will be used is to create a questionnaire. Furthermore, based on the type of investigation, this study uses causal research to see if there is a causal relationship between two or more variables.

This was chosen to determine whether there is a relationship between the variables studied. According to Sekaran and Bougie (2017), causal research explains one or several related factors, which are research topics. While based on the implementation time, this research is included in the type of cross-section research. Cross-section research aims to study the correlation between risk factors by approaching or collecting data at one time only (Ariani, 2014). And based on the aspect of the author's involvement, this study did not intervene with data. The data used in this study came from respondents who filled out a questionnaire prepared by the author.

Questionnaires were submitted to internal employees of the Syaamil group, who then analyzed the results of the questionnaire. The questionnaire is divided into 3 sections, namely Islamic leadership which is divided into 8 dimensions (*al-sidq*, *hafidz*, *qoww*, *tabligh*, *ql-birr*, *adl*, *aliim*, and *tawhid*), motivation which is divided into 7 dimensions (personal fulfilments, personal fit, self-expression, physical work environment, non-physical work environment, rewards, and job involvement), and employee performance which is divided into 6 dimensions (quality of work, quantity of work, punctuality, work accuracy, responsibility, and desire of develop).

3. RESULTS AND DISCUSSION

3.1 Descriptive Analysis

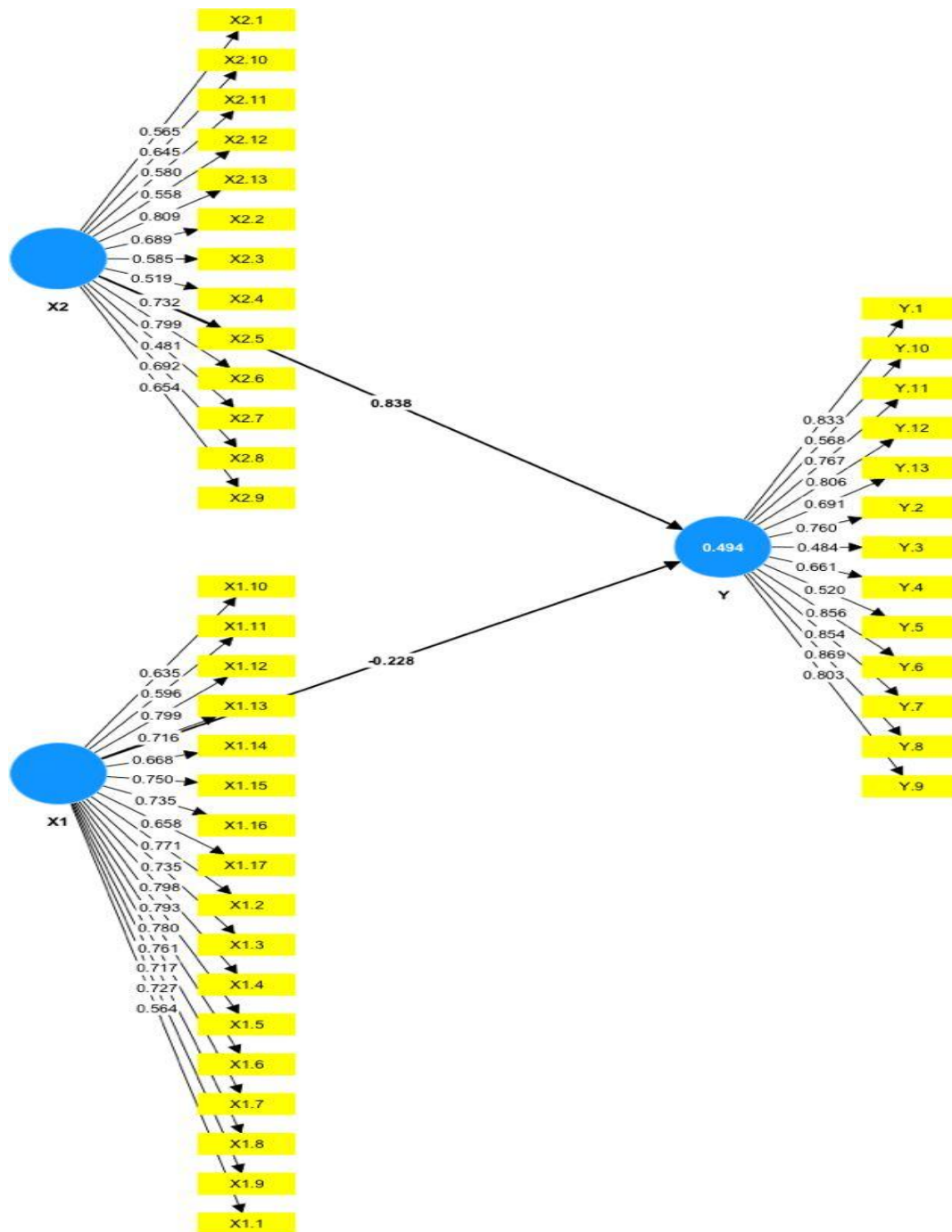
The classification used in the study is as follows:

No	Description	Percentage
1.	Very Low / Poor	20% - 36%
2.	Low / Poor	>36% - 52%
3.	Moderately High/Good	>52% - 68%
4.	High / Good	>68% - 84%
5.	Very High / Good	>84%- 100%

The results of the descriptive analysis show that the application of Islamic leadership values in the Syaamil group has a very high score (85.74%). This value illustrates that respondents feel strongly about the implementation of Islamic leadership. In addition, the value for the motivational variable is 82.76%. From the results of the processed data, it was also found that the performance value of employees in the Syaamil group was 79%.

3.2 Path Analysis

In this study, path analysis was used to see the direct and indirect influences of Islamic leadership and motivation on employee performance. The following are the results of the path analysis which can be seen in the image below:



Based on the results of the author's analysis using SPSS, the magnitude of the value contained in the figure above explains each question that represents each dimension in the operational variable. In variable Islamic leadership, the dimension of a fair (*adl*) has the greatest value among other dimensions, which is 0.799. Meanwhile, in variable Motivation, the dimension of intrinsic motivation with the Self Expression sub-dimension has the highest value, which is 0.809. Then in variable Y, the dimension that has the highest value is work accuracy with a value of 0.869.

Moreover, it can be concluded that the path coefficient of Islamic leadership is -0.228 or -22.8%, while the path coefficient of work motivation is 0.838 or 83.8%. Then the amount of direct influence is obtained by calculating the path coefficient $(\rho_{yx_i})^2$. The direct effect of Islamic Leadership on performance is $(-0.228)^2 = 0,05$ and the direct effect of motivation on performance is $(0.838)^2 = 0.70$.

3.3 Test the Coefficient of Determination

Based on the test results of the coefficient of determination, the following results are obtained:

R Model	R2	Adjusted R Square	Std. Error of the Estimate
.695	.494	.489	2.9102

Based on the results of the coefficient test, the calculation results from the summary model are 0.494 or 49.4%. Which means that the leadership and motivational variables affect the performance of Syaamil group employees by 49.4%, and by 50.6% employee performance is influenced by other variables. Moreover, according to another study conducted by Permaisuri & Sary (2023), organizational culture and employee loyalty influenced 36.1% of employee performance.

3.4 Hypothesis Testing

In this study, the authors used the analysis of the F-test and T-test.

- **F-test**

The F-test is used to determine the significance of the equation used to determine how much influence the independent variables simultaneously have on the dependent variable.

Hypothesis formulation:

$$H_0: p_{yx 1} = p_{yx 2} = 0$$

H_0 : Islamic leadership and motivation have no simultaneous and significant effect on performance. The criterion used is H_0 : if the sig value < 0.05

Sum of Model Squares	df	Mean Square	F	Sig.
Regression	1445.513	722.757	85.335	.000
Residual	1549.935	8.470		
Total	2995.448	185		

Based on the ANOVA table, the sig value is 0.000, it can be concluded that H_0 is rejected because the sig. < 0.05 , meaning that Islamic leadership and motivation have a simultaneous and significant effect on performance.

• **T-test**

The T-test is used to determine whether the independent variable (X) individually (partially) affects the dependent variable (Y).

Hypothesis:

$H_{01}: \rho_{yx1} = 0$ means that Islamic leadership has no significant effect on performance.

$H_{a1}: \rho_{yx1} \neq 0$ means that Islamic leadership has a significant positive effect on performance

$H_{02}: \rho_{yx2} = 0$ means that motivation does not have a significant positive effect on performance

$H_{a2}: \rho_{yx2} \neq 0$ means that motivation influences performance.

$H_{03} R^2_{yx1x2} = 0$ means Islamic leadership and motivation do not have a significant positive effect on performance.

$H_{a3} R^2_{yx1x2} \neq 0$ means Islamic leadership and motivation have a significant positive effect on performance.

Unstandardized Coefficients		Standardized Coefficients Beta		t	Sig.
Model B	Std. Error				
Constant	16.189	3.449		4.694	.000
X1	-.257	.072	-.284	-3.592	.000
X2	.928	.084	.878	11.103	.000

The criterion used is Reject H_0 : if the sig value < 0.05 .

Based on the sig value table of 0.000 for X1 (Islamic leadership) and X2 (Motivation) it can be concluded that H_{01} and H_{02} are rejected because the sig. < 0.05 . In other words, Islamic leadership and motivation have a significant effect on performance partially.

3.5 Discussion

Assessment of the employee’s performance in the Syaamil group as a main goal in this study shows a fairly good score. However, the score that is owned by the performance in this study is not as big as the score obtained by the variables of motivation and Islamic leadership. The performance score is an illustration that motivation can affect employee performance because it has fulfilled both intrinsic and extrinsic needs. But the score on the application of values in Islamic leadership is too far from the performance score.

It can be concluded that when an organization has leaders who apply Islamic leadership values, it is not necessarily able to fully improve employee performance. Motivation such as the work environment (physical and non-physical) has a very significant effect. In another study, it was

stated that 77% of employees were affected by the physical work environment and 78% by the non-physical work environment (Kurniadi & Sary, 2018). This score illustrates that motivation plays a very important role in terms of improving company performance. However, despite having a relatively large difference in numbers or scores with the dependent variable, Islamic leadership still has a significant negative effect on performance.

Based on the results of the Regression test, it is found that the effect of Islamic Leadership and motivation on employee performance is 0.494 or 49.4%, which means that leadership and motivation variables affect the performance of employees of the Syaamil group by 49.4%, and 50.6% of employee performance is influenced by other variables. Other variables that are factors that affect performance can be a reference for further research.

4. CONCLUSIONS

Based on the results of research on the effect of Islamic Leadership and motivation on the performance of employees in the Syaamil group, the authors have concluded the following findings:

1. Variable X1, namely Islamic Leadership, has a score of 85.74% with an average value of 784.52. Descriptively, it can be interpreted that the application of Islamic values in leadership in the Syaamil group is very good. In the path analysis, the magnitude of the influence of Islamic Leadership illustrates a significant influence on performance.
2. Variable X2, namely Motivation, has a score of 82.76% with an average value of 757.23. Descriptively, it can be interpreted that the work motivation of Syaamil employees has a high value. In the path analysis, the magnitude of the influence of motivation illustrates a significant influence on performance.
3. Variable Y, namely Performance, has a score of 79% with an average value of 722.85. Descriptively, it can be interpreted that Syaamil employees have a good score even though the results are included in the lower score compared to other variables.
4. Simultaneously the two variables have a significant effect on employee performance with a magnitude of 49.4% influence. While 50.6% of employee performance is influenced by other variables not examined in this study.

References

- 1) Abudaqa, A., Faiz, M., Dahalan, N., & AlMujaini, H. (2020). The Role of Leadership Styles in Encouraging and Improving Team Performance in One of the Biggest Oil & Gas Group of Companies. *International Journal of Economics, Business and Accounting Research (IJEBAR)*, 4(2).
- 2) Al-Munajjid, M. S. (2014). *Interaction of the Greatest Leader*. Kingdom Saudi Arabia: Zad Group.
- 3) Daud, W. N. (2014). *Quality of Islamic Leadership and Organizational Performance within the Takaful Industry in Malaysia: A Conceptual Study*. Asian Social Science.
- 4) Kurniadi, M. R., & Sary, F. P. (2018). The Effect of Physical and Non-Physical Labor Towards Performance. *e-Proceeding of Management*, 339.

- 5) Negulescu, O., & Doval, E. (2014). The Quality of Decision Making Process Related to Organizations. *Procedia Economics and Finance*, 858 – 863.
- 6) Pangestu, E., & Sary, F. P. (2018). The Influence of Intrinsic and Extrinsic Motivations towards Job Performance at Giant Ekspres Setrasari Bandung. *E-Proceeding of Management*, 891.
- 7) Permaisuri, A., & Sary, F. P. (2023). Influence of organizational culture and loyalty on employee performance in the pandemic era. *Sustainable Future: Trends, Strategies and Development*.
- 8) Rizaldy, M. R., & Hidayatullah, M. S. (2021). Islamic Leadership Values: A Conceptual Study. *Dialogia*, 88-104.
- 9) Said, N. S., & Zaidee, A. E. (2015). Relationship between Employee Motivation and Job Performance. *Mediterranean Journal of Social Sciences*, 632-638.
- 10) Yusuf, M. (2021). Effects of the Intrinsic Motivation and Extrinsic Motivation on Employee Performance with Job Satisfaction as an Intervening Variable. *Journal Management, Business, and Accounting*, 18-31.