

Integrating Islamic Work Ethics and Organizational Culture to Enhance Employee Performance at Ternate Islamic Hospital

Arfiani Arman¹⁾; Nurlaila²⁾

¹⁾ arfianiarman247@gmail.com, Khairun University, Indonesia

²⁾ nurlaila@unkair.ac.id, Khairun University, Indonesia*

*¹⁾ Corresponding Author

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ABSTRACT

Objective: This study examines the influence of Islamic work ethics and organizational culture on employee performance at Muhammadiyah Islamic Hospital in Ternate City, emphasizing the role of value-based management in enhancing organizational outcomes.

Methodology: A quantitative survey design was employed involving 70 permanent staff members. Data were analyzed using multiple regression with the Statistical Package for the Social Sciences (SPSS) to test the individual and joint effects of the independent variables on employee performance.

Findings: The results indicate that Islamic work ethics and organizational culture both have positive and significant effects on employee performance, individually and collectively. These findings confirm that the integration of ethical values and cultural practices contributes to improved productivity, discipline, and work motivation.

Conclusion: Islamic work ethics and organizational culture serve as complementary drivers of employee performance. Theoretically, this study enriches the literature on value-based human resource management by demonstrating the translation of religious and cultural values into effective work behaviour. Practically, the findings suggest that management should reinforce Islamic ethical principles and cultivate a strong organizational culture to achieve sustainable employee performance and organizational excellence.

Keyword : Islamic work ethics; organizational culture; employee performance

Introduction

Employee performance is a key factor in determining the quality of hospital services, particularly in Islamic-based institutions that not only demand professionalism but also the integration of spiritual values into daily work practices. As a public service institution, the hospital has a responsibility to deliver efficient, accurate, and morally grounded healthcare services. In the context of Islamic hospitals, Islamic values play a significant role in shaping employees' character and work integrity. One of the manifestations of these values is Islamic Work Ethics, which emphasize the principles of work as a form of worship, honesty, responsibility, and justice.

In addition, organizational culture contributes to shaping norms, beliefs, and collective practices in the workplace that directly or indirectly influence employee behaviour and performance. Muhammadiyah Islamic Hospital in Ternate City, as a healthcare institution owned by the Muhammadiyah religious organization, has unique characteristics in applying Islamic values in its governance and organizational behaviour. The success of this hospital

in delivering services depends not only on the clinical competence of its medical and administrative staff but also on how deeply Islamic values and Muhammadiyah's work culture are embedded and practiced in everyday work life. However, the dynamics of public service and the demands of modern professionalism remain significant challenges in maintaining and improving employee performance.

The central issue in this study is to what extent Islamic Work Ethics influence the performance of employees at Muhammadiyah Islamic Hospital in Ternate City. Previous studies have shown that Islamic Work Ethics positively contribute to performance through mediators such as emotional intelligence (Jabar & Suharnomo, 2023). Furthermore, organizational culture has also been proven to significantly enhance employee performance through increased job satisfaction and commitment (Korda & Rachmawati, 2022). This study seeks to explore how the interaction between Islamic Work Ethics and organizational culture shapes excellent work behaviour and the potential synergy that can optimally drive employee performance, particularly in the context of Eastern Indonesia. Based on the aforementioned issues, this study aims to analyze the influence of Islamic Work Ethics and organizational culture on employee performance and evaluate the simultaneous contribution of these two variables within the Islamic hospital environment. The findings of this study are expected to strengthen the theoretical foundation and provide practical recommendations for hospital management in developing an Islamic work value system aligned with organizational goals.

Several studies have emphasized the importance of organizational culture and work ethics in employee performance. Korda & Rachmawati (2022) stated that organizational culture enhances job satisfaction and commitment, which affect performance. Opoku et al., (2022) in the banking sector in Ghana, revealed that entrepreneurial culture and job satisfaction are key determinants of performance. In higher education, Dirwan et al., (2024) found that organizational culture and organizational commitment increase motivation and job satisfaction among lecturers and educational staff. Maha Putra & Nasution (2024) further noted that job satisfaction and motivation act as mediators in the relationship between organizational culture and employee performance. However, most of these studies do not specifically examine the dimensions of Islamic Work Ethics, especially in the Islamic healthcare sector and in regions such as Eastern Indonesia, including Ternate City.

Despite the growing number of studies on Islamic Work Ethics and organizational culture, there remains a lack of empirical research that examines their combined influence within the specific context of Islamic hospitals in Eastern Indonesia. Most existing literature tends to focus on general organizational settings or Islamic institutions in more developed regions of Indonesia, leaving a notable gap in understanding how these two constructs interact in healthcare institutions with unique cultural and religious dynamics. Therefore, this study addresses a significant research gap by offering a contextual and integrative approach to explore the synergy between Islamic Work Ethics and organizational culture in shaping employee performance. Academically, this research contributes to the literature on the relationship between religious values and organizational culture with employee performance in the healthcare sector. Practically, the findings provide a solid foundation for formulating organizational policies that enhance employee performance by systematically embedding Islamic ethical values into daily work practices. Such integration not only fosters discipline and intrinsic motivation but also ensures that performance improvement strategies remain sustainable and aligned with the broader mission of the institution.

Literature Review

Work Ethics

The professional ethics of scientists, according to the cited article, encompass the moral and normative principles that govern the behaviour of scientists in conducting research, publishing findings, and interacting with the public (Letari et al., 2024). Scientists' responsibilities include social, environmental, and cultural aspects of their work, as well as its impact on human and ecological well-being. Professional ethics are defined as the moral and normative standards that regulate researchers' behaviour in their scientific endeavors. These ethics include integrity, openness, transparency, honest communication, and responsibility for the advancement of knowledge and its impact on humanity and nature (Jannah et al., 2024).

Work ethics play a vital role in enhancing employee commitment. Employees who demonstrate strong work ethics tend to show loyalty and dedication in performing their duties, which in turn contributes positively to the achievement of organizational goals (Insyani, 2019). Work ethics, therefore, are the moral principles that guide an individual's attitude and behaviour in the workplace. With strong work ethics, individuals are more likely to improve the quality of their performance and commitment to the organization, thereby creating a productive and harmonious work environment.

Islamic Work Ethic (IWE)

Islamic Work Ethic (IWE) represents a personal disposition reflecting a deep belief that work is not merely for self-glorification or to demonstrate one's humanity, but also as a manifestation of righteous deeds that hold high spiritual value as a form of worship (Rokhman & Ahamed, 2021). Sudirman et al., (2024) emphasize that Islamic work ethics are derived from Sharia principles, which regard work as both worship and a way of life. Accordingly, IWE functions as a guiding orientation that shapes and influences the degree of individual involvement and participation in the workplace. The Islamic Work Ethic is founded on four main principles: effort, competition, transparency, and moral responsibility. Effort is considered the primary foundation in serving oneself and others. Competition should be carried out fairly and honestly, accompanied by sincere intentions in performing work (Azhari & Usman, 2022).

The dimensions of Islamic Work Ethic (IWE) include: effort and moral responsibility in the workplace (Sudirman et al., 2024; and Usman et al., 2024); sincere motivation to serve the public (Shahzad et al., 2024); integrity and honesty in accordance with Islamic values; spiritual commitment as a form of worship; and psychological engagement that supports performance (Shahzad et al., 2024).

Organizational Culture

Organizational culture is a basic pattern of assumptions developed, discovered, or created by a group as they learn to cope with problems of external adaptation and internal integration (Robbins & Judge, 2018). These assumptions are then considered valid and are taught to new members as the correct way to perceive, think, and feel within the organization. Ivancevich et al. state that organizational culture consists of shared values, norms, and habits that have been learned by members of the organization, shaping their behaviour patterns and influencing how they interact within the work environment. Colquitt et al., (2021) defines organizational culture as a system of values, beliefs, and practices shared among organizational members, providing a framework of reference and meaning

for behaviours and relationships within the organization. Overall, organizational culture serves as an essential foundation that shapes the identity, behaviour, and social interactions within an organization, thereby influencing performance and the achievement of shared goals.

According to Robbins & Judge (2018), organizational culture consists of key dimensions that define an organization's character. These include innovation and risk-taking, which foster initiative and experimentation; attention to detail, which emphasizes accuracy; outcome orientation, which focuses on goal achievement; people orientation, which considers the impact of decisions on employees; team orientation, which encourages collaboration; aggressiveness, which reflects a competitive drive; and stability, which ensures consistency and organizational control (Aboramadan et al., 2020). Together, these dimensions demonstrate how organizational culture shapes employee behavior and influences overall performance.

Employee Performance

Employee performance refers to the work results achieved by an individual in carrying out their duties and responsibilities in accordance with organizational standards. Robbins (2019) states that performance is a measure of an individual's effectiveness in achieving organizational goals through expected behaviours and work outcomes. Armstrong (2010) adds that performance includes aspects of quality, quantity, and timeliness in completing tasks. Meanwhile, Robbins & Judge (2018) explain that performance is the level of achievement in work results that reflects an individual's ability, attitude, and accomplishments.

Employee performance is generally understood as a multidimensional construct. Key dimensions include quality of work, which refers to the degree to which the outcomes meet established standards; quantity of work, which indicates the volume of output produced within a given time frame; and timeliness, which measures the extent to which tasks are completed according to predetermined deadlines. In addition to these core aspects, work attitude, such as responsibility, initiative, and cooperation, and employee competence are also critical in shaping overall performance outcomes (Wua et al., 2022). Together, these indicators provide a comprehensive basis for evaluating and improving employee performance within an organizational context.

Research Framework and Hypotheses

Islamic Work Ethic and Employee Performance

The Islamic Work Ethic (IWE) emphasizes values such as honesty, responsibility, discipline, hard work, and sincerity in performing tasks. These values have become a central focus in various studies on management grounded in Islamic spirituality (Ali Khan & Rahman, 2024; Faiq & Sholahuddin, 2024; Sudirman et al., 2024; and Jabar & Suharnomo, 2023). Based on empirical findings, IWE has been proven to have a positive effect on employee performance, as it encourages intrinsic motivation, enhances work commitment, and strengthens individual discipline (Setiabudi et al., 2024; and Faiq & Sholahuddin, 2024). Employees who internalize IWE values tend to carry out their duties with integrity and sincerity, thereby creating a positive and productive work environment (Ratnaningrum et al., 2019; and Suprpto et al., 2025). Moreover, studies conducted by Shahzad et al., (2024); and Jabar & Suharnomo (2023) indicate that the consistent implementation of IWE not only

improves individual performance but also strengthens the collective work ethic within organizations, particularly in the public sector and manufacturing industry.

Additional research has also revealed that Islamic ethical values contribute to increased job satisfaction and employee loyalty, which ultimately have a positive impact on overall organizational performance (Sari et al., 2024; and Sumarsi & Rizal, 2021). IWE not only provides a moral and spiritual foundation but also forms a behavioral framework aligned with organizational goals, fostering sustainable and ethical work behavior in the workplace. Based on this theoretical and empirical foundation, the following hypothesis is proposed:

H₁: Islamic Work Ethic has a positive effect on Employee Performance.

Organizational Culture and Employee Performance

Organizational culture has a direct and significant impact on employee performance. A strong culture that aligns with organizational goals can create a positive work environment, reinforce loyalty, and enhance work effectiveness. Korda & Rachmawati (2022) found that organizational culture directly improves employee performance in the coating industry. This finding is consistent with the study by Opoku et al., (2022), which revealed that an entrepreneurial culture within banking institutions in Ghana positively contributes to employee performance.

Wua et al., (2022), in the context of the Indonesian banking sector, also confirmed that organizational culture significantly influences employee performance. Zaky (2021), in a literature review of the Indonesian manufacturing industry, emphasized that a strong organizational culture is positively related to performance improvement. Similar findings were reported by Raintung et al., (2024) in the banking sector and by Rojak et al., (2024) in the education sector, both of which concluded that a value-based work culture significantly contributes to enhanced employee productivity. Another study by (Dirwan et al., 2024) in the public service sector highlighted the importance of collaborative culture in improving employee accountability. This is reinforced by research from Miao & Zhang (2024), which demonstrated that cultural values such as openness and integrity directly affect performance quality. Overall, this empirical evidence confirms that a healthy organizational culture fosters a supportive work environment, strengthens responsibility, and improves efficiency and effectiveness at work. Based on these findings, the following hypothesis is proposed:

H₂: Organizational Culture has a direct positive effect on Employee Performance.

Islamic Work Ethic and Organizational Culture toward Employee Performance

Islamic Work Ethic (IWE) refers to a set of ethical principles derived from Islamic teachings, emphasizing values such as honesty, responsibility, discipline, and dedication in the workplace (Kurniati et al., 2021). These values not only guide individual behaviour but also contribute to shaping ethical organizational environments. Empirical studies have shown that the application of IWE fosters a sense of purpose, commitment, and intrinsic motivation among employees, ultimately enhancing their job performance (Aflah et al., 2021). Organizational culture, on the other hand, encompasses shared values, beliefs, and practices that influence how individuals behave within an organization. A strong and positive organizational culture has been widely recognized as a key driver of employee performance (Korda & Rachmawati, 2022; and Opoku et al., 2022). When Islamic Work Ethic is embedded within the organizational culture, it reinforces a value-driven work environment, strengthening employees' moral responsibility and collective work ethic (Wua et al., 2022). Recent studies Dirwan et al., (2024); and Maha Putra & Nasution (2024) also highlight the

synergistic relationship between organizational culture and work motivation as critical elements in performance enhancement. The integration of Islamic Work Ethic into organizational culture not only aligns personal values with institutional goals but also minimizes counterproductive behaviours, thus promoting a more harmonious and productive workplace. Therefore, building on both theoretical and empirical insights, the following hypothesis is proposed:

H₃: Islamic Work Ethic and Organizational Culture simultaneously have a positive and significant effect on Employee Performance.

The relationship between these variables can be illustrated in the following figure:

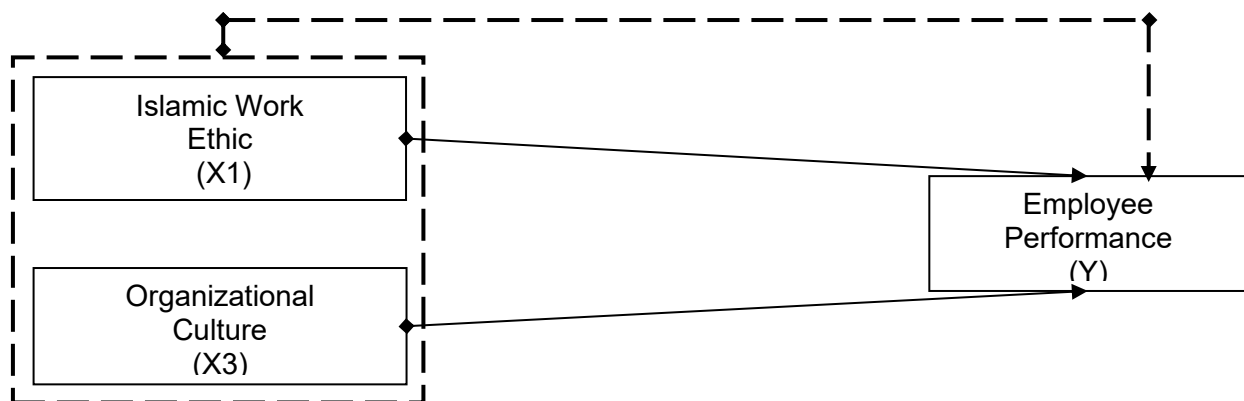


Figure 1. Conceptual Framework of the Study

RESEARCH METHODOLOGY

Measurement Development

Islamic Work Ethic (X1): This refers to a personality attitude reflecting the belief that work is not solely for worldly purposes, but also serves as a form of righteous deed and worship of high value in the Islamic perspective (Shahzad et al., 2024). Islamic work ethic is based on sharia principles, positioning work as a means of worship and part of social responsibility (Sudirman et al., 2024). Indicators for this variable include: maximum effort, fair competition, transparency at work, and moral responsibility (Azhari & Usman, 2022).

Organizational Culture (X2): Defined as a pattern of basic assumptions developed by an organization in addressing internal and external challenges, and taught to new members as the correct way to think, feel, and act within the organization (Robbins & Judge, 2018). Organizational culture is reflected in several key dimensions, namely: innovation and risk-taking, attention to detail, result orientation, people orientation, teamwork, competitiveness (aggressiveness), and stability (Aboramadan et al., 2020).

Employee Performance (Y): Employee performance denotes the extent to which individuals accomplish tasks and responsibilities in alignment with organizational standards. It represents both the effectiveness of work behaviours and the quality of outcomes that collectively contribute to the attainment of organizational objectives (Robbins & Judge, 2018). The main indicators for this variable include: quality of work, quantity of work, timeliness in completing tasks, work attitude, and individual competence (Wua et al., 2022).

Data Analysis Method

This research design employs a survey method with a quantitative approach. The aim of quantitative research is to examine the relationship between independent and dependent variables. To determine the influence between these variables, multiple linear regression analysis was used with the help of the Statistical Package for the Social Sciences (SPSS) software. The analytical model is formulated in the following regression equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon.$$

Before conducting regression analysis, a series of classical assumption tests were performed, including validity and reliability tests, linearity test, multicollinearity test, and heteroscedasticity test. Statistical hypothesis testing criteria were conducted using the *t-test* to determine the partial effect of each independent variable on the dependent variable, and the *F-test* to assess the simultaneous effect of all independent variables. The population in this study consists of all employees of Muhammadiyah Islamic Hospital in Ternate City, totaling 70 individuals, and the entire population was used as the research sample by employing a saturated sampling technique.

Research Results

Validity and Reliability Tests

The validity test was conducted to measure the extent to which the items in the questionnaire accurately reveal the concept intended to be measured. An item is considered valid if the correlation between the item score and the total construct score exceeds the critical value of 0.30 (Sugiyono, 2018). The results of the validity test for all statement items on the variables of Islamic Work Ethic (X1), Organizational Culture (X2), and Employee Performance (Y) are presented in Table 1.

Table 1. Validity Test

Variable	Item	Pearson Correlation	Critical Value	Description
Islamic Work Ethic (X1)	X1.1	0.752	> 0.30	Valid
	X1.2	0.722		Valid
	X1.3	0.758		Valid
	X1.4	0.707		Valid
	X1.5	0.536		Valid
Organizational Culture (X2)	X2.1	0.697	> 0.30	Valid
	X2.2	0.558		Valid
	X2.3	0.474		Valid
	X2.4	0.719		Valid
	X2.5	0.722		Valid
	X2.6	0.629		Valid
Employee Performance (Y)	Y1	0.636	> 0.30	Valid
	Y2	0.647		Valid
	Y3	0.672		Valid
	Y4	0.602		Valid
	Y5	0.375		Valid
	Y6	0.708		Valid
	Y7	0.730		Valid

Source: Data processed by scientists (2024)

Based on the results in Table 1, all items for each variable have correlation values above 0.30. Therefore, all items are declared valid and are suitable for use in further analysis. Next, a reliability test was conducted to ensure the internal consistency of each measurement instrument. An instrument is considered reliable if the Cronbach's Alpha value exceeds 0.60 (Sugiyono, 2018). The results of the reliability test are presented in Table 2 below.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Threshold (α)	Decision
Islamic Work Ethic (X1)	0.737	> 0.60	Reliable
Organizational Culture (X2)	0.709	> 0.60	Reliable
Employee Performance (Y)	0.737	> 0.60	Reliable

Source: Data processed by scientists (2024)

The analysis results using the SPSS program show that all variables in this study have Cronbach's Alpha values above 0.60. This means that the three variables—Islamic Work Ethic, Organizational Culture, and Employee Performance—have an adequate level of reliability. Thus, the instruments used in this study have proven to be consistent and trustworthy for use in the subsequent analysis stages.

Classic Assumption Tests

Normality Test

The normality test aims to determine whether the data in the regression model, both independent and dependent variables, are normally distributed. One of the methods used is the One-Sample Kolmogorov-Smirnov (K-S) Test. According to Ghozali (2018), data distribution is considered normal if the significance value (Asymp. Sig.) is greater than 0.05. Conversely, if the significance value is less than 0.05, the data are not normally distributed.

Table 3. Normality Test Results (One-Sample Kolmogorov-Smirnov Test)

Test Statistics	Unstandardized Residual
N	70
Mean	0.000000
Std. Deviation	324.497.607
Most Extreme Differences	
• Absolute	0.083
• Positive	0.049
• Negative	-0.083
Test Statistic	0.083
Asymp. Sig. (2-tailed)	0.200

Source: Data processed by scientists (2024)

The results of the normality test using the One-Sample Kolmogorov–Smirnov Test indicate that the residuals are normally distributed. As shown in Table 3, the test statistic is 0.083 with an asymptotic significance (2-tailed) value of 0.200, which exceeds the conventional threshold of 0.05. This suggests that the null hypothesis of normal distribution

cannot be rejected, implying that the data meet the normality assumption required for subsequent regression analysis. The mean value of the residuals is approximately zero (0.0000000), and the standard deviation is 324.498, which further confirms the absence of systematic bias in the residual distribution. Accordingly, these results validate the use of parametric statistical techniques, as the assumption of normality has been satisfied.

Multicollinearity Test

The multicollinearity test is conducted to detect the presence or absence of a high correlation between independent variables in the regression model.

Table 4. Multicollinearity Test Results

Independent Variable	Tolerance	VIF
Islamic Work Ethic	0.998	1.002
Organizational Culture	0.998	1.002

Source: Data processed by scientists (2024)

Based on the multicollinearity test results shown in Table 4, all independent variables, namely Islamic Work Ethic and Organizational Culture, have tolerance values of 0.998 and VIF values of 1.002. These values indicate that there is no high correlation among the independent variables in the regression model. According to Ghazali (2018), multicollinearity occurs if the tolerance value is less than 0.1 and the VIF value is greater than 10. Conversely, if the tolerance value is greater than 0.1 and the VIF is less than 10, it can be concluded that there are no symptoms of multicollinearity in the model. A tolerance value close to 1 shows that nearly all the variance of an independent variable is not explained by other independent variables. Meanwhile, a VIF value very close to 1 indicates that no independent variable is significantly linearly dependent on another.

Therefore, the results of this test indicate that the regression model used is free from multicollinearity problems, and thus can be trusted for analyzing the influence of Islamic Work Ethic and Organizational Culture on Employee Performance. The absence of multicollinearity also strengthens the validity of the regression estimates, as each independent variable contributes uniquely to the dependent variable without redundant information.

Heteroscedasticity Test

The heteroscedasticity test is conducted to determine whether there is inequality of variance in the residuals of the regression model. In this study, the test was performed using regression analysis, where the residuals were used as the dependent variable and regressed against the independent variables, Islamic Work Ethic and Organizational Culture.

The test results show that the significance values (Sig.) for both independent variables—Islamic Work Ethic at 0.737 and Organizational Culture at 0.235—are both greater than the significance level of 0.05. This indicates that there is no significant relationship between the residuals and the independent variables.

Thus, it can be concluded that this regression model is free from heteroscedasticity symptoms, or in other words, the residual variance is constant (homoscedastic). This means

the model meets one of the classical assumptions of linear regression, as suggested by Ghozali (2018).

Hypothesis Testing

Multiple Linear Regression Analysis

The following table presents the results of the multiple linear regression analysis showing the effect of the Islamic Work Ethic and Organizational Culture variables on the dependent variable. The regression coefficients, t-values, and significance (Sig.) values are used to measure the strength and significance of the relationship of each independent variable with the dependent variable.

Table 5. Results of Multiple Regression Analysis between Dependent Variable (Y) and Independent Variables (X)

Model	Unstandardized Coefficients (B)	Std. Error	t	Sig. p-value)	Test Type
(Constant)	6.158	3.638	1.693	0.095	
Islamic Work Ethic (X1)	0.477	0.138	3.455	0.001	One-tailed
Organizational Culture (X2)	0.525	0.110	4.752	0.000	One-tailed

Source: Data processed by scientists (2024)

Table 5 presents the regression results examining the effects of Islamic Work Ethic (X1) and Organizational Culture (X2) on Employee Performance (Y). The constant term ($B = 6.158$, $SE = 3.638$, $t = 1.693$, $p = 0.095$, two-tailed) is not statistically significant, suggesting that the baseline level of employee performance—when the independent variables are excluded—does not differ significantly from zero at the 5% level.

The results for the first hypothesis (H1) indicate that Islamic Work Ethic has a positive and significant effect on Employee Performance. The coefficient ($B = 0.477$, $SE = 0.138$, $t = 3.455 > 1.668$, $p = 0.001$, one-tailed) shows that the null hypothesis is rejected at the 5% significance level. This finding highlights that greater adherence to Islamic ethical principles enhances discipline, motivation, and accountability, which in turn improve overall employee performance.

For the second hypothesis (H2), Organizational Culture also exerts a positive and significant effect on Employee Performance. The coefficient ($B = 0.525$, $SE = 0.110$, $t = 4.752 > 1.668$, $p = 0.000$, one-tailed) indicates strong evidence that the null hypothesis is rejected at the 5% level. This confirms that a cohesive and supportive organizational culture promotes effective work behavior, strengthens teamwork, and drives higher productivity among employees.

Taken together, the t-test results provide robust empirical support for the partial significance of both predictors. The consistent significance across variables confirms that Islamic Work Ethic and Organizational Culture are key determinants of employee performance, underscoring the importance of integrating ethical and cultural dimensions in organizational practice to foster both individual effectiveness and collective excellence.

In addition, the F-test results (H3) demonstrate the overall significance of the regression model, with $F = 18.002 > 3.13$ and $p = 0.000$. Since the p-value is well below the

conventional threshold of 0.05, the model is statistically significant, confirming that Islamic Work Ethic and Organizational Culture jointly exert a substantial influence on Employee Performance. In other words, optimal performance emerges not only from the internalization of ethical values but also from the reinforcement of a supportive organizational culture. Collectively, these findings underscore the importance of integrating ethical and cultural dimensions in human resource management to build a workforce that is both professionally competent and morally grounded, thereby ensuring organizational excellence and long-term sustainability.

Furthermore, the coefficient of determination (R^2) of 0.585 demonstrates that 58.5% of the variance in Employee Performance is explained by Islamic Work Ethic and Organizational Culture, while the remaining 41.5% is attributed to other factors not included in the model. This proportion indicates that the regression model possesses a relatively strong explanatory and predictive capacity, suggesting that ethical values and organizational culture constitute substantial determinants of employee outcomes. Nevertheless, the unexplained variance also highlights the potential role of additional variables—such as leadership style, work motivation, or organizational support—that may further account for performance differences. Hence, while the model provides a robust foundation for understanding employee performance, future research could incorporate complementary predictors to enhance its explanatory power.

Discussion

The Influence of Islamic Work Ethic on Employee Performance

The results of this study indicate that Islamic Work Ethics (X1) have a positive and significant influence on employee performance, meaning that the higher the application of work ethics based on Islamic values, the better the employees perform their duties. This finding supports the theory that moral and spiritual principles can enhance work motivation, discipline, and individual responsibility within an organization. In this context, Islamic Work Ethics serve as a foundation for professional behavior that prioritizes not only productivity but also integrity and sincerity in work.

Theoretically, these results strengthen the value-based human resource management literature, particularly from an Islamic perspective, by demonstrating that religious values can be translated into effective work behavior. This study is also consistent with the findings of Faiq & Sholahuddin (2024), who emphasized that the internalization of Islamic values in the work culture has a direct impact on achieving organizational performance. Similarly, Sudirman et al., (2024) found that Islamic ethics contribute to improved performance through the development of trustworthy and responsible employee character.

From a practical perspective, these findings have implications for organizational management, especially in religious-based institutions, to design policies and work environments that foster and facilitate the application of Islamic Work Ethics. This can be achieved through training, strengthening organizational culture, and performance appraisal systems that reflect spiritual values. In this context, Islamic Work Ethics are not only a source of intrinsic motivation but also serve as a form of spiritual capital for the organization in building sustainable and meaningful employee performance.

These results are also supported by the findings of (Raintung et al., 2024; and Hamzah et al., 2021) in the banking sector and (Rojak et al., 2024) in educational institutions, which demonstrate that value-based work culture can enhance productivity. Therefore, this study

affirms that the application of Islamic Work Ethics is a key strategy in developing human resources who are both professionally competent and spiritually grounded.

The Influence of Organizational Culture on Employee Performance

The results of this study indicate that Organizational Culture has a positive and significant effect on Employee Performance. This finding reinforces the theory that a strong organizational culture is a fundamental element in promoting effective work behaviour and supporting the achievement of optimal performance. Organizational culture reflects a system of shared values, norms, and beliefs that are consistently applied within the work environment. These findings are in line with the research by Korda & Rachmawati (2022), which demonstrated that organizational culture directly improves employee performance in the coating industry sector. Empirical support is also found in the study by Opoku et al., (2022), which showed that entrepreneurial culture in banking organizations in Ghana significantly enhances employee performance. Additionally, research in the Indonesian banking sector by Wua et al., (2022), as well as a literature review by Zaky (2021) on the Indonesian manufacturing sector, confirm that a strong organizational culture contributes to increased productivity and employee engagement.

In practical terms, a healthy organizational culture fosters a conducive work environment, strengthens team cohesion, and cultivates collective responsibility toward achieving organizational goals. A culture that supports collaboration, open communication, and result orientation will reinforce positive work behaviours and improve the effectiveness of both individual and team performance. The theoretical contribution of these findings is the reinforcement of the understanding that organizational culture is not merely a normative background within organizations but also a direct determinant of work behaviour and performance achievement. Meanwhile, the practical implication is that organizational leaders need to consciously build and maintain a culture aligned with the institution's vision and mission. Strategies for internalizing cultural work values through training, organizational communication, and consistent leadership are key to optimizing employee performance. Thus, organizational culture serves as a strategic instrument in developing highly competitive human resources.

This study highlights the combined influence of Islamic work ethic and organizational culture on employee performance. The F-test results show that both variables simultaneously and significantly enhance performance. These findings support Robbins & Judge (2018) assertion that organizational culture shapes employee behaviour through shared values and align with Colquitt et al., (2021), who emphasize the role of organizational culture in influencing motivation and work outcomes. Theoretically, this study reinforces organizational behaviour theory by demonstrating that personal values and workplace culture can interact to drive performance. Practically, management is advised to promote Islamic work ethic values and develop a strong organizational culture to create a productive and harmonious work environment.

Conclusion

This study concludes that both Islamic Work Ethics and Organizational Culture significantly and positively influence employee performance, both individually and jointly. The findings reinforce the theoretical proposition that personal values and institutional norms function as complementary drivers of work behaviour and performance outcomes. Specifically, Islamic Work Ethics instil integrity, sincerity, and intrinsic motivation, while

Organizational Culture provides a shared framework of values and practices that foster collaboration, commitment, and collective goal attainment. The integration of these two elements forms a holistic foundation for enhancing employee productivity and sustaining organizational excellence.

Overall, the results highlight that aligning ethical principles with cultural norms is a strategic pathway for developing human resources who are not only professionally competent but also spiritually grounded, thereby ensuring sustainable competitiveness and long-term organizational success.

Suggestions

Based on these research findings, it is recommended that managers and policymakers implement strategic measures to improve employee performance while fostering a more meaningful work environment. Organizations need to embed Islamic work ethic values into daily work culture through spiritual training, leadership by example, and incentive systems that encourage ethical behaviours such as trustworthiness, honesty, and responsibility. These values should constitute the foundation of decision-making and workplace interactions, supported by evidence that spiritual leadership mitigates negative attitudes such as alienative commitment.

To support this, organizations should formulate visions and missions that integrate transcendental values into human resource management, thereby fostering trust and collective spirit among employees. A positive organizational culture also needs to be strengthened through open communication, cross-unit collaboration, and a work atmosphere that supports innovation all exemplified by managers as spiritual leaders.

Furthermore, recruitment processes should include spiritual aspects, such as using the Intrinsic Spirituality Scale, to align individual values with organizational culture from the outset. Strengthening social capital is also crucial to reduce negative attitudes toward the organization, which can be achieved by designing interdependent tasks, rewarding collegial behaviour, and encouraging a culture of idea and knowledge sharing. Additionally, organizations are advised to incorporate political skills training in employee development programs, as these skills help build effective work networks and support optimal task execution. For this purpose, the Political Skill Inventory (Ferris et al., 2005) can be used in selection and development processes, reinforced by mentoring and intensive training.

Implementing these strategies is believed to strengthen a value-based organizational culture, improve the quality of work relationships, and sustainably enhance employee and organizational performance overall. Although this study offers meaningful theoretical and practical contributions, several limitations must be acknowledged. First, the use of self-reported data, even though collected in a time-lagged manner, still complicates drawing firm causal conclusions. Therefore, further research is recommended to apply longitudinal designs to better evaluate causal relationships. Second, this study does not capture the temporal dynamics of employee behaviour. As suggested by Kelemen et al., (2020), daily diary or experience sampling methods could provide deeper insights into daily fluctuations in attitudes and behaviours influenced by work ethics and culture. Third, future research should explore mediating and moderating variables such as motivation, job satisfaction, and leadership styles to better understand the mechanisms linking the studied variables. Finally, testing in different industrial sectors and cultural backgrounds could enhance external validity and broaden the generalizability of the findings, as well as enrich management theories rooted in spiritual values and local cultures.

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