

TRANSFORMATIONAL LEADERSHIP AND WORKING ETHICS OF ISLAM TOWARDS ORGANIZATIONAL COMMITMENT (SURVEY ON ISLAMIC BANKS IN BANDA ACEH)

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ABSTRACT

This study aims to determine the influence of transformational leadership, work ethic of Islam, and organizational commitment. This research already chosen 250 employees of five Islamic Banks in Banda Aceh namely Bank Mandiri Syariah, Bank Muamalat, Bank BNI Syariah, Bank BRI Syariah and Bank Aceh Syariah. The sample data obtained in this study were analysed statistically using confirmatory factor analysis (CFA) and Smart PLS. The results of this study indicate that significantly there is a direct influence between transformational leadership and work ethic of Islam on organizational commitment.

Keywords: Transformational Leadership, Working Ethics of Islam, Organizational Commitment

1. INTRODUCTION

The view of Islam, work is a source of sustenance to bear yourself, family and help those who need it. The existence of sufficient sustenance for an individual or family will not be a weak and poor group (Hanapi, M. Shukri and Abdurrahman, 2017).

Human resources play an integral role in producing high quality and innovative products / services (Vikram and Sayeed, 2014). The success of an organization depends on many factors ranging from internal to external; human resources are considered as one of the most important determinants for the creation of organizational competitiveness (Njoroge, D et al., 2015).

Placing something in its proper place includes in the sense of trust and honesty, among other things not to surrender or trust the position to the truly worthy person, not to hand over the job except to the person who has the necessary conditions (Al-Ghazali, M, 2015).

Employees play an important role in the continuity of the organization where they work. Individuals who contribute to organizational effectiveness by doing things beyond their duties or their leading role are assets to the organization. To increase the effectiveness of the organization must have a highly skilled and innovative Human Resources to work must also be able to maintain it (Lamba and Choudhary, 2013). Employee commitment to the organization in the world of work is often an important issue, because the problem in the scope of individuals, groups and organizations. The low commitment of the organization to the employees becomes one of the internal factors that can lead to decreased employee productivity so that it affects the lack of success of the company in achieving the goal.

Organizational commitment will make employees give the best to the organization where they work. High-commitment employees will be more work-oriented. will tend to be happy to help and can work together. If it has a commitment to its organization, it will have strong identification with the organization, has membership values, agrees with objectives and value systems, possibilities.

Low organizational commitment leads to lower work productivity and higher turnover rates. Lowly committed employees also have an impact on high absenteeism, slowness, lack of working hours, and lack of intensity to survive as employees (Sopiah, 2008).

Based on the results of interviews conducted to personnel manager at several Islamic Bank, the low commitment of employee organizations in Islamic Bank in Banda Aceh proved with several problems related to personal factors, situational factors, positional factors, namely unbalance between the work already done employees with reciprocal employment, employment gaps among co-workers, lack of employee opportunities to move forward and develop, complain employees to the work assigned by superiors.

Based on the results of interviews conducted to employees of Islamic Bank, still low employee organization commitment due to several things, namely: the lack of supervision and assertiveness of leaders in responding to employees who neglect in work, job targets in the burden to employees not completed according to the time specified.

Some inappropriate attitudes by employees such as: late entry to the office, casual attitude and chatting during work hours, dressing up and eating during business hours will cause the target work not completed in time as directed and assigned.

Some specific guidelines for implementing management systems to help solve problems and increase organizational commitment to employees are: committed to human prime value, clarifying and communicating missions, ensuring organizational justice, creating a sense of community, supporting employee development (Luthans, 2008).

Based on the problems of Islamic Bank that occur at the national and regional scale and the conditions faced by employees of Islamic Bank in Banda Aceh, the authors will raise the role of leadership and work ethic of Islamic employees are predicted to be able to play a role to overcome the problems that occur, associated with the still low organizational commitment.

Njoroge, D. et al., (2015) examined transformational leadership styles and organizational commitment by making employee participation a moderating variable. The purpose of this study was to determine the effect of transformational leadership style on organizational commitment as moderator of employee participation in technical institutions in Kenya. The study population is all 3,114 lecturers in 47 technical institutions in Kenya.

Work ethics also plays a role in shaping organizational commitment, in this case the work ethic of Islam. Islam based on al-Qur'an and al-Hadith as guidance and guidance for the Muslims has a function not only regulate in terms of worship but also regulate the people in giving demands in the problems relating to work.

Yet in the current situation of globalization, we are required to show the spirit of work that is not only diligent, persistent, faithful, but always balance with Islamic values that certainly can not go beyond the rails that have been set al-Qur'an and al-Hadith.

The research carried out took the object on several Islamic Bank located in Banda Aceh, the Capital of Aceh Province. So very precise, in accordance with the mandate of the Law of the Republic of Indonesia Undang-undang No.12 tahun 2008 About Aceh Government, that the Province of Aceh based on Islamic Shari'a.

The benefits of work ethics are as guidelines for employees towards their behavior as well as reinforce in making decisions that become more aware of the specific goals of the ethical concept (Wotruba et al, 2011). Meanwhile, for organizations that adhere to sharia principles, ethics that is in accordance with the values and principles of sharia is the work ethic of Islam.

People who sincerely work will get the forgiveness of sins from Allah SWT. In a Hadith narrated: "Whoever in the evening sat exhausted because of the work he has done, so he got the afternoon his sins forgiven by Allah SWT". (HR Thabrani).

The virtue (fadhilah) of working in Islam is to be forgiven a sin that can not be forgiven with prayer, fasting, zakat, pilgrimage and umrah. In a narrative it is said: "Surely among these sins, there is one sin which can not be erased by prayer, fasting, hajj and umrah". Companions asked, 'What can erase it O Messenger of Allah?' He replied, "The spirit in seeking rizki." (HR Thabrani).

The Islamic work ethic is built on one's noble goals for its behavior in the workplace, including business, dedication, cooperation, responsibility, social relations and creativity (Rahman et al, 2006). Based on other studies, there are four basic concepts of Islamic work ethics: business, competition, transparency and morally responsible behavior (Ali and Al Kazemi, 2007; Ali and Al Owaihan, 2008).

Previous studies have been conducted on the work ethic of Islamic work and organizational commitment, such as Sayadi, Saeed et al. (2014), Khadijah et al. (2015) and Farsi, J.Y et al., (2015).

The results show that there is a positive and significant relationship between the ethical indicators of Islamic work and organizational commitment (Sayadi, Saeed et al., 2014). The dimensions of Islamic work ethics are effort, teamwork, honesty and accountability. The findings of this study indicate that commercial bank employees adhere to all dimensions of Islamic work ethics (Khadijah et al., 2015). The results obtained from this study indicate that there is a positive relationship between Islamic work ethic and organizational commitment and its components (Farsi, J.Y et al., 2015).

2. LITERATURE REVIEW

2.1 Transformational Leadership

Transformational leadership is defined as a leader who changes the values, needs, aspirations, priorities of followers and also motivates their followers to exceed expectations (Hussami, M, 2008). Transformational leadership represents a significant process of leaders bringing positive change to individuals, groups, teams and organizations (Baihaqi, 2010).

Transformational leadership is a type of leadership that motivates their followers in the direction of enforced goals by clarifying roles and task demands (Rivai et al., 2013). Transformational leadership is a process whereby people engage with others, and create relationships that increase the motivation and morality of leaders and followers (Northouse, 2013).

2.2 Ethics of Islamic Work

Ethics comes from the ancient Greek ethos which means character, attitude, morality, personality, custom and belief in doing something. This attitude is not only owned by individuals, but also by groups and even communities formed by various habits, cultural influences, and value systems that are believed. In Islam ethics is regarded as morality (character, behavior, behavior, or character of a person) that is the behavior or human treatment toward the goodness and usefulness of life (Fatah, 2017).

Islamic work ethics is the behavior of employees in accordance with what is recommended in the Scriptures and As-Sunah (Mustaq, 2003). The work ethic of Islam is the character and habits of the people concerning work, emanating from the system of faith / aqidah Islam which is the basic life attitude towards it (Asifudin, 2004).

The Islamic work ethic is a series of business activities in its various forms that are not limited by the amount of ownership of their property (goods / services), but are limited in the way they are acquired and the utilization of their property due to halal and haram (Muhammad and Alimin, 2004). The work ethic of Islam is a personal reflection of a caliph who works by relying on his conceptual capabilities that are creative and innovative (Azizi, 2005).

Islamic work ethic is orientation towards work and approach work as a virtue in human life (Rizki, 2008). Islamic Work Ethics is originally based on Scripture, the teachings of Prophet Muhammad SAW which symbolizes that hard work is due to the sins forgiven and the inheritance of the four Islamic caliphs (Rokhman W, 2010).

2.3 Organizational Commitment

Commitment to the organization is more than just a formal membership, as it includes an attitude of liking to the organization and a willingness to strive for a high level of effort for the organization's interest for the achievement of the goal. This includes elements of loyalty to the organization, involvement in work, and identification of organizational values and goals.

Organizational commitment is a psychological state that characterizes an employee's relationship with the organization or its implications that affects whether employees will survive in the organization or not (Zurnali, 2010). Organizational commitment is defined as the sense of individual identity and dependence on the organization (Allameh et al., 2011). Organizational commitment is the feeling of individual employees who synergize with the organization associated with the behavior and performance of employees in the place of work (Mehrabi et al., 2013).

Organizational commitment can be defined as follows: 1) a belief in implementing organizational values and goals; 2) willingness to mobilize the optimal effort for the institution; a strong desire to maintain relationships within the organization (Batool and Ullah, 2013). Organizational commitment is the attitude or orientation of employees to their organizations that are affected by work risks, relationships with leaders and their views on the organization (Khuong and Vu, 2014).

2.4 The Influence of Transformational Leadership and Islamic Work Ethics to Organizational Commitment

According to researchers a leader's approach as a leader style in directing employees will have an impact on organizational commitment, because organizational commitment is related to employee feelings. Leaders who are sensitive to the feelings of employees that as a form of change or transformation of a leader over things that happen in the company. Prior research which explains the influence of transformational leadership on organizational commitment is expressed by Njoroge D et al. (2015); Thamrin (2012); Marnis (2012); Bushra et al., (2012). Bushra, et al., (2011) suggests that there is a positive influence of transformational leadership on organizational commitment and job satisfaction. Marnis (2012) also reinforces previous research regarding the influence of transformational leadership on organizational commitment. These studies provide the basis for explaining the influence of transformational leadership on organizational commitment.

The Islamic work ethic of an employee in an organization can have an effect on organizational commitment. Because employees work with the attitude: sincere, trustworthy, honest and responsible will have an impact on working conditions; both fellow colleagues and the leadership, the interaction both in performing tasks and outside the task. The relevance of Islamic work ethics and organizational commitment is expressed by Rokhman (2010), Marry et al. (2012), Saeed et al. (2014), Khadijah; Kamaluddin and Salin (2015), Shafique (2015), Shariat et al., (2015).

Rokhman (2012) explains how the relevance of Islamic work ethics and organizational commitment. Where, Islamic work ethics is an antecedent of job satisfaction, organizational commitment and employee turnover rate. This research was conducted by 49 employees working in Rural Banks in Demak, Indonesia. Marry et al., (2012) suggests the impact of Islamic work ethics on job satisfaction and organizational commitment. The study was conducted on the agricultural sector in Pakistan. Shariat et al. (2015) suggests how the influence of Islamic work ethics on job satisfaction and organizational commitment. The research was conducted on Iran's Baft Branch Islamic University. Khadijah et al., (2015) examines the work ethic of Islam on business organizations in Malaysia. The results of this study prove that poor organizational performance is caused by low moral standards in employees of the organization.

H₁: Transformational leadership affects organizational commitment

H₂: Islamic Work Ethics affects organizational commitment

3. RESEARCH METHODOLOGY

3.1 Research Design

This research is included in the type of descriptive-quantitative research using survey method. Where researchers will discuss in general and perform data collection on transformational leadership and ethics of Islamic work to organizational commitment by distributing questionnaires. Questionnaires were distributed in Islamic Bank office in Banda Aceh: Bank Aceh Syariah, Bank Mandiri Syariah, Bank Muamalat, Bank BRI Syariah and Bank BNI Syariah.

3.2 Sample and Population

This study uses the analysis at the individual level, so that the population of this study are 445 employees of Islamic Bank in Banda Aceh. However, this study does not use the entire population, because to generalize it is enough represented by some members of the population called samples (Cooper & Schindler, 2006). Samples are part of the number and characteristics, for example due to limited funds, manpower and time, the researchers can use samples taken from that population therefore, sample taken from the population must be truly representative (Sugiono, 2014). The probability sampling method used is systematic random sampling. According Jogiyanto (2007) systematic random sampling is a systematic random sampling done by dividing the population as much as n part and take a sample on each part starting from the first part in random that is as much as 244 respondents.

3.3 Questionnaire Design and Variable Measurement

Table 1: Constructs and Questionnaire

Variable	Dimension	Indicator	Scale	Measurement Scale
Transformational leadership (X _i) The nature of a leader who can adapt himself to change to direct his vision, mission and organizational performance towards better change.	Charisma	1. Being an Example 2. Respected and Believed 3. Authority	1-5	Likert Scale
	Motivation	1. Build optimism 2. Giving encouragement 3. Have inspiration		
	Initiative	1. Give an idea 2. Firmness 3. Give the solution		
	Creativity	1. Hearing Aspirations 2. Have a perspective 3. Pay attention to the Problem		

Ethics of Islamic Work (X ₂) Is an Islamic behavior in carrying out everyday activities; work and strive with devotion to Allah SWT.	Sincere	<ol style="list-style-type: none"> 1. Spirit of work for Allah SWT 2. Dedication works according to the Qur'an and Sunnah 3. Motivation of work in order to improve the quality of worship 	1-5	Likert Scale
	Trustworthy	<ol style="list-style-type: none"> 1. Work as directed and directed 2. Work together to complete the work according to company rules 3. Working to comply with company regulations 		
	Honest	<ol style="list-style-type: none"> 1. Not harming the company in using the equipment 2. Record all purchase transactions according to order 3. Maintain the work equipment to be used properly 		
	Brotherhood	<ol style="list-style-type: none"> 1. Relationships with employees 2. Working together to achieve company goals and fulfill Responsibility 3. Helping co-workers who need help in the office or outside 		
Organizational Commitment (Y) It is a sense of employee loyalty to the organization and continues to strive to maintain its membership	Affective	<ol style="list-style-type: none"> 1. Feeling as a company asset 2. Concern for the company 3. Feelings of belonging to the company 	1-5	Likert Scale
	Normative	<ol style="list-style-type: none"> 1. Loyalty is an important factor 2. Feel more comfortable working in the company 3. Feeling irresponsible if out of company 		
	Continuous	<ol style="list-style-type: none"> 1. Career Achievement 2. Willingness to work in the company 3. Got the job result 		

3.4 Data Analysis Tools and Models

This research uses Structural Equation Modeling (SEM) method with research tool or software such as Partial Least Square (PLS). SEM is divided into two types, namely Covarian-based Structural Equation Model (CB-SEM) and Partial Least Square - Structural Equation Modeling (PLS-SEM) (Ghozali and Latan: 2012). PLS has the assumption of free distribution research data (Distribution free), meaning that research data does not refer to one particular distribution. PLS is an alternative method of SEM that can be used to overcome the relationship between complex variables, but small sample size data (30 to 200), given that SEM has a sample size of at least

100 (Ghozali and Latan: 2012). PLS is also used to measure the relationship of each indicator with its construct.

4. RESULTS AND DISCUSSION

4.1 Data Analysis

Data processing techniques using the SEM method based on Partial Least Square (PLS) requires 2 stages to assess the Fit Model of a research model (Ghozali, 2012). These stages are as follows: assessing the Outer model or measurement model, Chin, 1998 (in Ghozali, 2006) for the initial stages of development of a 0.5 to 0.6 scale loading value loading scale is considered sufficient. In this research will be used the load factor limit of 0.60. As shown in the following table:

Table 2: Loading Factor

Manifest Variabel	Loading Factor		
	KT	EKI	KO
KT1	0,611		
KT2	0,744		
KT3	0,823		
KT4	0,758		
KT5	0,720		
KT6	0,807		
KT7	0,778		
KT8	0,755		
KT9	0,799		
KT10	0,798		
KT11	0,723		
KT12	0,781		
EKI1		0,620	
EKI2		0,684	
EKI3		0,663	
EKI4		0,585	
EKI5		0,608	
EKI6		0,576	
EKI7		0,579	
EKI8		0,642	
EKI9		0,723	
EKI10		0,662	
EKI11		0,593	
EKI12		0,663	

KO1			0,668
KO2			0,723
KO3			0,790
KO4			0,695
KO5			0,713
KO6			0,697
KO7			0,543
KO8			0,713
KO9			0,615

Then evaluate reliability, Criteria reliability can also be seen from the reliability value of a construct of each construct. The construct is said to have high reliability if its value is 0.60. In Table 3 will be presented the value of Composite Reliability for all variables.

Table 3: Composite Reliability

	Composite Reliability
Transformational leadership	0,8418
Ethics of Islamic Work	0,6528
Organizational Commitment	0,6828

4.2 Hypothesis Testing

The significance of estimated parameters provides useful information on the relationship between research variables. The basis used in testing the hypothesis is the value contained in the output path Coefficients (Mean, STDEV, T-Values). As Table 4.

Table 4: Path Coefficients (Mean, STDEV, T-Values)

	Original Sampel (O)	Sampel Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ((O/STERR))
Transformational Leadership-> Organizational Commitment	0,2845	0,2898	0,0498	0,0498	5,7142
Work ethic of Islam-> Organizational Commitment	0,5551	0,5550	0,0471	0,0471	11,7875

- If the value of t-statistic is smaller than t-table [t-statistic <1.96], then Ho1 is accepted and Ha is rejected.
- If the t-statistic value is greater than or equal to t-table [t-statistic = 1.96], then Ho is rejected and Ha is accepted.

Based on the data analysis that has been done, the research results obtained that there is a positive and significant influence between transformational leadership to organizational commitment (H₁). This is indicated by the acquisition of a t value of 5.7142. Where the value is greater than t table (1,960).

Same as above, the research results obtained that there is a positive and significant influence between the ethics of Islamic work to organizational commitment (H₂). This is indicated by the acquisition of a t value of 11.7875. Where the value is greater than t table (1,960).

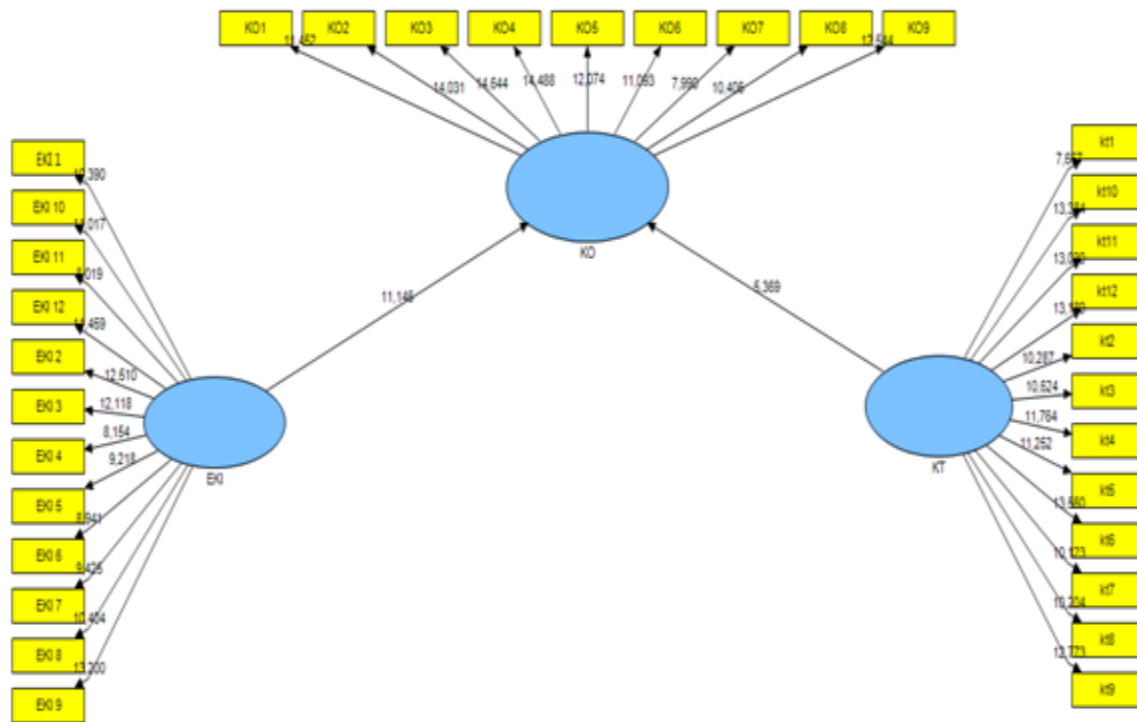


Fig. 1: t-statistic towards t-table

4.3 Discussion of Results

Based on the data analysis that has been done, the result obtained that there are positive and significant influence of transformational leadership variable to organizational commitment. Prior research that explains the influence of transformational leadership on organizational commitment is expressed by Njoroge D et al (2015); Thamrin (2012); Marnis (2012); Bushra et al (2012). It is the basis of the theoretical framework that explains that transformational leadership has a positive influence on organizational commitment.

Njoroge D. et al (2015) conducted a study in 3114 Lecturers at a technical college institute in Kenya, Africa. Bushra, et al (2011) suggests that there is a positive influence of transformational leadership on organizational commitment and job satisfaction. Marnis (2012) also reinforces previous research regarding the influence of transformational leadership on organizational commitment. Thus, the H₁ hypothesis in this study is supported in accordance with the results of previous studies.

So is the case with ethical of Islamic work variable, the results obtained that there is a positive and significant influence of ethical of Islamic work variable to organizational commitment. The

relevance of Islamic work ethics and organizational commitment is expressed by Rokhman (2010); Khadija; Kamaluddin and Copy (2015); Marry; Sadozai; Era; Ramay (2012) and Shafique (2015).

Rokhman (2012) explains how the relevance of Islamic work ethics and organizational commitment. Where, the Islamic work ethic is an antecedent of job satisfaction, organizational commitment and employee turnover rate. This research was conducted by 49 employees working in Rural Banks in Demak, Indonesia. Thus, H₂ Hypothesis in this study is supported in accordance with the results of previous studies.

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