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The Antecedents of Financial Employee Performance; An Evidence from Indonesia

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Abstract:- This research aims to raise the premise that workplace spirituality and Islamic work values variables affect worklife balance and employee engagement, and ultimately will impact on overall performance. The population is all employees of Islamic finance company in Makassar City. Sample was selected by census techniques, or in other words, all populations are determined to be respondents. The questionnaire was distributed directly in private to all branch offices in Makassar. The results show there were significant results, and conversely, there were three analyzes which showed no significant effect on endogenous variables. This finding provides a new understanding of the importance of the application and application of Islamic values in every company's strategy and tactics in Indonesia.

Keywords:- Workplace Spirituality, Islamic Work Values, Worklife Balance, Enggement, Employee Performance, Human Resource Management.

I. INTRODUCTION

Performance has become an actual issue in the organization because whatever the organization is, performance is a key question of organizational success. Performance in various literatures is very diverse. All organizations to realize their success, strive to achieve the best performance that is able to be produced by all the resources they have. One of the most important organizational resources is human resources. Therefore, a successful organization will be supported by good human resource performance. Thus, there is a match between organizational success or organizational performance with individual performance or human resources. Colquitt et. al (2013) in Sarikit (2017) explains that performance is formally defined as the value of various employee behaviors that contribute, whether positive or negative, to achieve organizational goals.

According to Platis (2015), employee performance is one of the fundamental aspect because performance is an issue that is related to effectiveness, knowledge, quality of managerial, financing and organizational development compared to others. This explanation illustrates that the success of an organization or institution will be determined by human factors in achieving organizational goals. This shows the importance of discussion about employee performance for the benefit of the organization. However, it must be realized that basically employee performance results from complex processes, which involve personal

factors of employees and the strategic efforts of the company (Badaruddin, 2016).

Managing human resources in maintaining and improving the quality of employee performance is a new challenge. Companies are required to be able to create a real internal attraction and drive for employees. These attractions and impulses are the basic foundation that forms a condition that is able to foster good employee attitudes and behavior. To achieve these conditions companies need to develop a framework of reference that is systematic, measurable, and comprehensive in managing human resources (Ashoer, 2019). In this connection, the concept of employee engagement is the right choice. Employee engagement is an emotional engagement that includes two dimensions, namely the commitment dimension and the satisfaction dimension. Both dimensions are able to foster passion, motivation, and proactive encouragement for employees to provide optimal efforts in every business activity (Priambodo, 2015).

Employee engagement studies in relation to performance have been carried out. Ismail et al. (2019) found a significant and positive influence of engagement on performance, in line to the results of Musafir et al. (2012) at Islamic banks in Makassar. Likewise, Sendawula et al. (2018) investigated the implication of training on employee performance, resulting significantly predicted employee performance and employee engagement found as the main predictors of employee performance compared to training.

Lockett and Mumford (2009) explain that worklife balance is every individual needs to achieve and manage in a balanced way between his work life and the outside. Balance here does not always mean that dividing between work and daily life, on the contrary, it means successfully managing all the duty held in both employees life. Significant findings about the effect of worklife balance on the achievement of performance was explained by Aslam (2015), Mendis and Weerakkody (2017), Thevanes and Mangaleswaran.T (2018), and Bataineh (2019), each of those results reveal that WLB has a strong correlation to employee performances. Related to the results of research linking the relationship between work life balance and employee engagem⁷ shown by Mohamed and Zaki (2017) and Larasati et al. (2018) that the balance of work life of employees is proven to affect the level of employee engagement in the company.

Recently, a relatively new topic in organizational psychology focusing on spiritual values at work or what is often referred to as spirituality at work (Yogatama and Widyarani 2015). Donde and Duchon (2000) define spirituality at work (spirituality at work) as an individual's self-understanding as a spiritual being whose soul requires maintenance at work with all the values that exist within him, which have meaningful goals and feelings at work and also experience feelings connect with other people and the community in which they work. The target of this study starts from the premise that the variable workplace spirituality and Islamic work values have an influence on the creation of work life balance and employee engagement on employee performance.

The aforementioned conditions drive a discussion of performance has always been the focus of attention and knowledge of the determinants of performance. This study directed at relevant aspects that affect employee performance in service companies. Therefore, there are four variables that are thought to influence employee performance, namely Islamic work values, workplace spirituality, worklife balance, and employee engagement. We analyze the effect of the four constructs on employee performance in service companies in Indonesia. This research is expected to be able to implicate on management, especially human resource management, and is expected to be a reference for future research agendas for researchers who are interested in conducting more in-depth research.

II. CONCEPTUAL MODEL AND HYPOTHESIS

The conceptual framework of this study departs from the employee engagement theory and all the variables that influence it. Employee engagement reducing the willingness to abandon the company. Engagement brings together skilled and educated workforce, competencies and attitudes, which are socially valued in order to behave in certain ways. Employee engagement means being aware of and collaborating with work colleagues to develop quality and is a positive behavior that employees have towards the organization and its values. Schiemann (2011) explains that it is an crucial driver to employee retention, satisfaction, and performance.

Research conducted by Sarikit (2017) explains that work life balance have an effect on performance. The results support the Ashtankar (2016) study which ensure a better insight into the connection between WLB and employee welfare, and its impact on commitment, turnover, productivity, and overall employee performance. In another part of his research, Sarikit (2017) also found that WLB also affects engagement. The results of Kangure's (2014) strengthened that WLB has a significant impact toward engagement. This related to performance achievement are explained by Živčicová et al. (2017) that working hours are a statistically significant factor which can be seen as an obstacle in the balance of work life and fulfilling family duties. Jena and Pradhan (2014) suggested that

harmonizing personal life and work is not only challenging, however essentially lead to a satisfactory feeling.

According to Milliman, Czaplewski et al. (2003) in his research revealed that workplace spirituality can be divided into three dimensions. Where each dimension operates at the individual, community, and organizational level. Firstly, the meaningful work that function at the individual level. This dimension is a main part of workplace spirituality which consist the capability to feel the deepest meaning of a job. Secondly, is a feeling of being connected with community (sense of community) that operates at the community level that focusing on interactions between workers and co-workers. Finally, operating at the organizational level is the enforcement of organizational values, is a harmonization between employee's personal belief with the vision and missions of the corporation.

Based on the literature review and some supporting research results, the conceptual framework is arranged as follows: Based on the conceptual framework above, the following research hypotheses are presented:

- H1. Islamic work values affects employee worklife balance
- H2. Workplace spirituality affects employee worklife balance
- H3. Islamic work values affects employee engagement
- H4. Workplace spirituality affects employee engagement
- H5. Worklife balance affects employee engagement
- H6. Islamic work values affects employee performance
- H7. Workplace spirituality affects employee performance
- H8. Worklife balance affects employee performance
- H9. Employee engagement affects employee performance

III. METHODS

Quantitative methods can be divided into two, namely the experimental and the survey method. Survey research is a study that takes a sample from a population and uses a questionnaire as a data collection tool. This survey research is used for the purpose of explaining (explanatory) descriptively the causal relationship between variables, namely describing the influence of Islamic work values and spirituality at work on work life balance, employee engagement and employee performance in Islamic finance companies.

The population were all employees of the Islamic finance company in Makassar City based on observations totaling 191 people. The selection of the sample by census sampling techniques, or in other words, all populations are determined to be respondents. The collected data are a list of statements or questionnaires, namely data collection techniques by submitting written statements given to respondents with a view to obtaining data in connection

with the research problem. The questionnaire was distributed directly in private to all branch offices of PT. Mandiri Syariah in the city of Makassar.

The analysis technique used to answer the hypotheses in this study using the Structure Equation Model (SEM) (Ghozali, 2014). The set of relations between variables is the relation between one or several independent variables with one or several dependent variables. In complex relations, some dependent variables become independent variables in the subsequent relationship (Ashoer, 2019). Each of the independent and dependent variables can be observed and can also be a latent variable (construct or unobserved) which is built by several indicator variables (Dachlan 2014).

IV. RESULTS AND DISCUSSION

The SEM measurement model testing are the validity and reliability of the items in each construct. The analysis including of several stages, (1) measurement model specifications, (2) goodness of fit (GoF), (3) Construction of validity and (4) Construction of reliability. The construct validity can be executed by assess the loading factor of each items. The indicator is declared valid if loading factor value are greater than 0.5. The reliability was tested by calculating the AVE and CR values, the construct is reliable if the AVE are bigger than 0.5 and the CR model are higher than 0.7. The AMOS test depicts all items have a loading factor > 0.5 and has a id¹³ goodness of fit model. Hence, the model is feasible to test the validity and reliability of the human capital latent variable. Furthermore, the calculation of the AVE value have exceeded 0.5 and the CR value of the construct has exceeded 0.7. Therefore, all items were reliable.

The feasibility test of the SEM is intended to find out whether it is formed appropriate or not. Several indices in

⁹ ➤ *Regression Weights: (Group number 1 - Default model)*

			Estimate	S.E.	C.R.	P	Label	Hypothesis
WB	<---	IWV	.310	.074	4.189	***	par_13	Supported
WB	<---	WPS	-.551	.073	-7.548	***	par_14	Supported
EE	<---	IWV	.087	.090	.970	.332	par_15	Rejected
EE	<---	WPS	1.145	.211	5.434	***	par_16	Supported
EE	<---	WB	.334	.079	4.228	***	par_17	Supported
EP	<---	EE	.246	.095	2.589	.010	par_18	Supported
EP	<---	WB	.442	.187	2.363	.019	par_19	Supported
EP	<---	IWV	.102	.093	1.099	.272	par_20	Rejected
EP	<---	WPS	-.967	.699	-1.383	.167	par_21	Rejected

Table 1:- Significance Result

Note: IWV: Islamic Work Value; WPS: Workplace Sprituality; WB: Worklife Balance; EE: Employee Engagement; KK: Employee Performance
 *** Path is significance at the < 0.001 level (2-tailed).

¹⁰ the SEM analysis, namely the Chi Square (CMIN), CMIN / DF, RMR, GFI, AGFI, TLI, CFI, and RMSEA. Test criteria by CMIN states if the probability value of the CMIN ≥ significant (alpha) then the SEM model is claimed fit. The criterion of CMIN/ DF if the value of CMIN/ DF ≤ 2, the model is declared fit. The GFI and AGFI value must be ≥ 0.90. The TLI and CFI criteria state that if the value of goodness of fit is ≥ 0.95, the SEM model formed is considered fit. And the criteria for using RMR states that if the goodness of fit value is 5 0.05, the SEM model formed is declared feasible. The criteria for using RMSEA mention that if the value of RMSEA ≤ 0.08, the SEM model formed is declared fit. Therefore, it can be presented that all indexes match the cut-off value, the index has been fulfilled and the model is claimed to be fit.

Normality test evaluation is carried out using ⁴ critical ration skewness value criteria, the data is normally distributed if the critical ratio skewness value is below the absolute value of 2.58 (Ghozali, 2014), whereas Ferdinand (2006) argued multivariate CR values below 8 are still acceptable (tolerance) and all indicators have cr kurtosis values < in susceptible -2.58 < z < 2.58. The test show that the primary data has normal distribution because the value of cr skewness and univariate kurtosis of all items are in the ratio -2.58 < z < 2.58, as well as the multivariate cr value of -0.168 shows that the multivariate CR has been inside interval -2.58 < z < 2.58. Hence, the data has normal distribution.

² Hypothesis can be assessed by t statistics value. The test criteria state that if the the p-value ≤ level of significance (alpha (α) = 5%) and CR <1.96, it can be concluded that there is a significant influence between latent variable. The analysis summary are depicted as follows :

Significance test results show that the influence of the Islamic work value variable on worklife balance (IWV → WB) shows a significant value (p value = ***) with a positive sign CR of 4.189. Because the p value obtained < 0.05 and CR > 1.96, it is concluded that IWV has a positive and significant effect on employee WB. This shows that the higher the Islamic values practiced in the company, the higher the work balance of employees. Significance test results show that the effect of workspace spirituality variables on worklife balance (WPS → WB) shows a significant value (p value = ***) with a negative CR of 7.548. Because p value < 0.05 and CR > 1.96, it was concluded that IWV had a negative and significant effect on employee WB. This shows that the higher the Islamic values at work, the lower the work balance of employees.

The test results show that the influence of Islamic work value variables on employee engagement (IWV → EE) shows insignificant value (p value = 0.332) with a positive sign CR of 0.970. Because the p value obtained > 0.05 and CR < 1.96, it is concluded that IWV has a positive but not significant effect on engagement. On the contrary, the effect of workplace spirituality variables (WPS → EE) and worklife balance on employee engagement ((WB → EE) showed significant values (p value = ***) with CR marked positive each of 5.434 and 4.228. From the value of p value < 0.05 and CR > 1.96, it can be concluded that WPS and WB have a positive and significant effect on employee engagement.

This study examines four variables that have an influence on employee performance, namely Islamic work value variables, workplace spirituality, worklife balance, and employee engagement. The results show that EE and WB have a positive and significant effect on EP while IWV and WPS have no significant effect on EP. This finding indicates the role of mediation in the relationship between constructs. The dominant influence on EP is shown by the magnitude of the coefficient value, and the biggest influence in a row is WPS, WB, EE, IWV.

In the context of work, providing maximum results on the outcome is important but, aligning one's personal life and work is also very important to live a happier and satisfying life. The latest of the organization is to realize and maintain work-life balance in corporate culture while keeping the spiritual competence of an individual behaviour. This finding reinforces the results of previous researchers who have given a significant impact between spiritual competence and work life balance regardless of the profile of the respondents. Building an Islamic work culture for organizations labeled with sharia is an important issue. Promoting a spirituality-based work culture is seen as one possible antidote for this trend. Making spirituality an organizational culture is considered capable of touching the deepest side through a faith-based approach.

V. CONCLUSION

The results provide the latest implications on the development and enhancement of science, particularly in strategic human resource management and organizational behavior in relation to variables that may affect work life balance, employee engagement and performance using dimensions and indicators Islamic values. Besides that it can be a reference for future research agendas for researchers who are interested in conducting more in-depth research. Provide input for sharia banking management in making policies as an effort to improve employee performance and make decisions in order to understand and anticipate problems that exist in the object under study.

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