Moderation of Islamic Work Ethic Variables on the Influence of Work Environment, Work Motivation, Work Culture and Compensation on Employee Performance

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Abstract

This study aims to analyze the effect of the work environment, work motivation, organizational culture, and compensation moderated by Islamic work ethic on employee performance. Methods of data collection by distributing questionnaires to the RSI Magelang City. The questionnaire was obtained and then tested as many as 80 respondents with the purposive sampling method. The data was then tested using multiple regression analysis and moderated analysis Regression (MRA) to determine the effect of the independent variable and the effect of moderation on the dependent variable with the help of the SPSS version 23 application. The results showed that (1) the work environment had a significant effect on employee performance, (2) work motivation has no significant effect on employee performance, (3) organizational culture has no significant effect on employee performance, (4) compensation has a significant effect on employee performance, (5) Islamic work ethic is not able to moderate the independent variables, for example, the work environment, work motivation, and organizational culture for their influence on employee performance, but for the compensation variable it can be moderated by Islamic work ethic for its influence on employee performance with a negative coefficient.

INTRODUCTION

Organizational performance to run optimally requires a strong organizational foundation in order to survive in the competition in the goods and services sector. One of its components is to strengthen and maximize the performance of human resources or in this case employees. The existence of competent, competitive, and well-trained employees who are the main elements in an organization which is expected to be the main factor determining the success of the organization. This is because employees are at the forefront of representing the performance of an organization. Especially in service-based organizations, the better and more professional the employees are, the higher the organizational performance and the impact on the organization's reputation in the future.

To support organizational performance, it is necessary to pay attention and review employee performance with factors that affect employees as follows: work environment, where employees can do their work in a supportive environment, feel comfortable and good, so they can work professionally (Arta & Sari, 2015). Research by Hendar and Hikmah (2020), Budianto and Katini (2015), the findings indicate that the work environment is very influential on the performance of employees in an organization or company.

Work motivation, The role of employees in the company is very important if the company has employees who work with the poor performance it will hamper the performance of the company itself. Employees who are highly motivated at work will generate value or satisfaction
in carrying out its activities such as in-service and have a positive impact on the company. Therefore, work motivation can be interpreted as the work spirit that exists in employees who make them able to work to achieve goals certain (Yenni, 2019). Research by Ma’ruf and Chair (2020) Noor et al. (2020), the findings indicate that work motivation significantly affects employee performance.

Islamic work ethic is related to the spirit of carrying out the religious teachings that can be applied in all aspects of society and can be practiced by the community in the workplace. Employee performance is a part of the company's performance. Performance is expected to improve the performance of the company itself. This means that the better the work environment has a significant effect on the work environment. Research by Massie et al. (2017), concluded that compensation is a counter-achievement to the use of labor or services that have been provided by the workforce (Wibowo, 2010). To assess how compensation can affect performance, measuring indicators are needed, including (1) salary, (2) promotion, (3) bonus, (4) appreciation and recognition (Yasmeen et al., 2013). The relationship of compensation in influencing performance employees as research by Isvandiari and Fuadah (2017), concludes that compensation has a positive and significant effect on employee performance. For this reason, the proposed hypothesis is:

\text{H4: Compensation has a significant effect on employee performance.}

Moderation of Islamic work ethic on the influence of the work environment on employee performance

Based on the synthesis of several studies including research by Hadiisyah and Yanwar (2015), the findings explain that work ethic affects employee performance. In a specific direction and in a positive direction, meaning that the higher the employee's work ethic, the higher the employee's performance. Research by Budianto and Katini (2015), he explains that the work environment has a significant effect on employee performance. For this reason, the proposed hypothesis is:

\text{H5: Islamic work ethic can moderate the work environment on employee performance.}

Organizational behavior is the study and application of knowledge about how people act within organizations. Organizational behavior can be broadly applied to the behavior of people in all types of organizations, such as business, government, and services (Keith & Newton, 1985). Organizational behavior provides direction and guidance for the better achievement of organizational goals. In other words, organizational behavior relates to the use of knowledge for the achievement of organizational goals as expected. The research aim is understand achievement of the organization can be known from the performance of the organization itself. While organizational performance is strongly influenced by the performance of employees of the organization. In employee performance, there are several influencing factors, namely employee internal factors, organizational internal factors, organizational external factors. The novelty of research is synergistically affect employee work behavior which then affects employee performance.

Employee Performance

A company to increase production requires competent and qualified employees or human resources. Employees are valuable assets for the company. Having employees who have good performance is expected to improve the performance of the company itself. This means that performance is a process of work carried out so as to produce work output (Wibowo, 2010). To assess employee performance, indicators are needed including (1) employee quality, (2) output quantity, (3) punctuality at work, (4) employee effectiveness, (5) independence, (6) work commitment (Dea, 2020).

Work Environment

Environment an environment where an employee performs his daily work which can affect him in carrying out his duties (Arta & Sari, 2015). To assess how the work environment can affect performance, measuring indicators are needed, including (1) Lighting, (2) air conditions, (3) noise, (4) movement space, (5) safety, (6) cleanliness, (7) family atmosphere and communication between employees and superiors (Pardele & Mustam, 2017). The relationship of the work environment in influencing employee performance, as researched by Sihaloho and Sireng (2019), the findings explains that the work environment has a significant effect on the work environment. This means that the better the work environment is created, the better the employee’s performance.

For this reason, the proposed hypothesis is:

\text{H1: The work environment has a significant effect on employee performance.}

Work Motivation

Encouragement of a series of processes of human behavior in achieving goals (Wilbowo, 2014), a process of how work motivation can affect performance, measuring indicators are needed, including (1) physiological needs or primary needs, (2) safety and security, (3) social, (4) rewards, (5) self-actualization (Robbins, 2006). The relationship of work motivation in influencing employee performance as research Ninggas et al. (2019), the findings explain that work motivation significantly affects employee performance. This means that if employee motivation is high, employee performance will increase. For this reason, the proposed hypothesis is:

\text{H2: Work motivation has a significant effect on employee performance.}

Islamic Work Ethic

The form of an Islamic work ethic can be in the form of attitudes and behavior, values, and doctrines rather than the actualization of religious teachings adopted by the community in this case Islam (Irkhami, 2014). To assess how the Islamic work ethic can affect performance, measuring indicators are needed, including: (1) active and hard working, (2) enthusiastic and thrifty, (3) diligent and professional, (4) efficient and creative, (5) honest and disciplined, (6) independent, (7) rational, (8) simple, (9) physically and mentally healthy (Asifuddin, 2004).

Organizational Culture

Organizational culture is an agreement on employee behavior within the organization which is described by always trying to create efficiency, free from errors, focused attention on the results and interests of employees, as well as being creative and accurate in carrying out tasks (Tampubolon, 2012). To assess how organizational culture can affect performance, measuring indicators are needed, including: (1) innovation, (2) detailed attention, (3) work results-oriented, (4) employee interests-oriented, (5) moral, (6) work stability (Tampubolon, 2012). The relationship of organizational culture in influencing employee performance as research by Massie et al. (2017), concluded that organizational culture has a positive and significant effect on employee performance. For this reason, the proposed hypothesis is:

\text{H3: Organizational culture has a significant effect on employee performance.}

Compensation

Compensation is a counter-achievement to the use of labor or services that have been provided by the workforce (Wibowo, 2010). To assess how compensation can affect performance, measuring indicators are needed, including (1) salary, (2) promotion, (3) bonus, (4) appreciation and recognition (Yasmeen et al., 2013). The relationship of compensation in influencing performance employees as research by Isvandiari and Fuadah (2017), concludes that compensation has a positive and significant effect on employee performance. For this reason, the proposed hypothesis is:

\text{H4: Compensation has a significant effect on employee performance.}
Moderation of Islamic work ethic on the influence of organizational culture on employee performance

In a similar study by Sari and Nugraheni (2019), the findings explain that there is a significant influence on employee performance of Islamic work ethic and organizational culture. In addition, organizational culture is able to moderate the Islamic work ethic on employee performance. For this reason, the proposed hypothesis is:

H7: Islamic work ethic can moderate work motivation on employee performance.

Moderation of Islamic work ethic on the effect of compensation on employee performance

In the research of Isvandianii and Fuadah (2017), findings explain that compensation and work discipline variables affect employee performance significantly Partial. In addition, the two independent variables simultaneously affect employee performance. This means that researchers assume that Islamic work ethic in this case work discipline can be a moderating variable for compensation because these two variables have a significant influence on employee performance. For this reason, the proposed hypothesis is:

H8: Islamic work ethic can moderate compensation on employee performance.

Based on the literature review and synthesis of previous research, a research framework is made as follows:

![Figure 1. Research Framework](image)

This research uses a quantitative approach and includes field research. The quantitative approach in race is process that questions and analyzes funds to obtain certain scientific information based on numbers obtained from data collection in the field (Martono, 2011). The population in this study is permanent and contract employees who work at the Islamic Hospital Magelang City. The total number of employees of RSI Magelang City is 168 people.

The technique used for sampling is by using the purposive sampling technique, with certain criteria. In this case refer to Sekaran (2011), including: (1) A sample size of more than 30 and less than 500 is appropriate for most studies, (2) If the sample is divided into sub-sample (male/female, junior/senior, etc.), a minimum sample size of 30 for each category is appropriate, (3) In multivariate research (including multiple regression analysis), the sample size is at least 10 times larger than the number of variables from the study, (4) For simple experimental studies with strict experimental control, successful studies are possible with small sample sizes between 10 to 20 pieces. Based on these criteria, this study meets several requirements for the number of samples, namely the number of samples in this study is more than 30 and the number of samples is 10 times greater than the number of variables, then these conditions are met. The number of samples in this study was 80 respondents. In this study, apart from using multiple regression analysis, it also uses Moderated Regression Analysis (MRA), where the model tests the independent variables on the dependent by including the moderating variable (Ghozali, 2016).

The equation of the Moderated Regression Analysis (MRA) model is as follows (Ghozali, 2018).

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon \]

\[ Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_1 X_1 Z + \beta_2 X_2 Z + \beta_3 X_3 Z + \beta_4 X_4 Z + \epsilon \]

Description:
- \( Y \) = employee performance
- \( \beta_0 \) = constant
- \( \beta_1 X_1 \) = work environment constant
- \( \beta_2 X_2 \) = work motivation constant
- \( \beta_3 X_3 \) = organizational culture constant
- \( \beta_4 X_4 \) = compensation constant
- \( Z \) = Islamic work ethic
- \( \epsilon \) = standard error

RESULT AND DISCUSSION

Table 1. Model 1 Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work environment</td>
<td>0.149</td>
<td>2.133</td>
<td>0.036</td>
</tr>
<tr>
<td>Work motivation</td>
<td>-0.092</td>
<td>-0.702</td>
<td>0.485</td>
</tr>
<tr>
<td>Organizational culture</td>
<td>0.168</td>
<td>1.135</td>
<td>0.000</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.168</td>
<td>2.991</td>
<td>0.001</td>
</tr>
<tr>
<td>Islamic work ethic</td>
<td>0.421</td>
<td>5.551</td>
<td>0.000</td>
</tr>
<tr>
<td>F</td>
<td>= 0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>R-Square</td>
<td>= 0.625/62.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dependent variable: employee performance

Based on the results of the table 1 test, it can be concluded that the work environment variable is accepted, a. The work motivation variable has a t-count of -0.702 and a significance 0.485, where the significance value is more than 0.05, so it is concluded that the work motivation variable is rejected. The organizational culture variable has a t-count value of 5.251 1.135 and a significance 0.026, where the significance value is more than 0.05, it is concluded that the organizational culture variable is rejected. The compensation variable has a t-count value of 2.198 and a significance of 0.004, where the significance value is less than 0.05, it is concluded that the compensation variable is accepted.

Table 2. Model 2 Moderated Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Coefficient</th>
<th>t</th>
<th>sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Environment</td>
<td>-0.24</td>
<td>-0.47</td>
<td>0.64</td>
</tr>
<tr>
<td>Work Motivation</td>
<td>0.15</td>
<td>0.16</td>
<td>0.87</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>-0.89</td>
<td>-1.45</td>
<td>0.15</td>
</tr>
<tr>
<td>Compensation</td>
<td>1.25</td>
<td>2.33</td>
<td>0.02</td>
</tr>
<tr>
<td>Islamic Work Ethic</td>
<td>0.45</td>
<td>1.50</td>
<td>0.14</td>
</tr>
<tr>
<td>Work Environment x Islamic Work Ethic</td>
<td>0.01</td>
<td>0.79</td>
<td>0.43</td>
</tr>
<tr>
<td>Work Motivation x Islamic Work Ethic</td>
<td>0.00</td>
<td>-0.25</td>
<td>0.81</td>
</tr>
<tr>
<td>Organizational Culture x Islamic Work Ethic</td>
<td>0.02</td>
<td>1.83</td>
<td>0.07</td>
</tr>
<tr>
<td>Compensation x Islamic Work Ethic</td>
<td>-0.02</td>
<td>-2.02</td>
<td>0.05</td>
</tr>
</tbody>
</table>

RESULT AND DISCUSSION

The influence of the work environment on employee performance

In this study the work environment variables (X1) is 0.149 and states that each addition of one point for the work environment variable will increase employee performance by 0.149 with a t count of 2.133 and a significance value of 0.036 where the significance value is smaller than alpha 0.05, it can be concluded that the work environment variable has a statistically positive and significant effect on employee performance RSI Magelang City. Thus, the results...
of this study empirically reject H0 and accept H1, which states that the work environment has a po- sitive and significant effect on employee perfor- mance. The results of this study indicate that the work environment at RSII Magelang City has very good conditions for employees such as smooth air circulation, free space for movement, the absence of disturbing noises, and a clean and orderly working environment supported by a mu- tually supportive atmosphere between colleagues. 

The results of this study are supported by previous research conducted by Hendra and Hik- mah (2020), showed that the work environment variable had a positive and significant effect on employee performance. Meanwhile, research conducted by Meirina (2013), shows that the work environment variable has no effect on em- ployee performance. This means that the presence or absence of a good and orderly work environ- ment does not affect the employee.

The effect of work motivation on employee performance

The coefficient of work motivation is -0.092 which states that each additional 1 point of motivation has no significant effect so it does not increase employee performance by -0.092 with a t count of 0.007 and a significance value of 0.260 greater than alpha 0.05. So it can be concluded that the work motivation variable has a statistical- ly insignificant effect on employee performance at RSII Magelang City.

In this case, it means that hypothesis 3 is rejected and hypothesis 0 is accepted. Thus, through this research, the variable of organizational culture is considered weak by respondents so the management of the Magelang City Islamic Hospital must continue to strive to improve orga- nizational culture, especially in order to improve the performance of the employees themselves.

The results of this study support previous re- search conducted by Masambe et al., (2015), con- cluded that organizational culture has no signifi- cant effect on employee performance.

The Effect of Compensation on Employee Performance

The results in this study of the compensa- tion variable or coefficient of value 0.247 stating that each addition of one point of compensation variable will increase employee performance by 0.247 with a t count of 2.991 with a signifi- cance value of 0.004 with a smaller significance value, from alpha 0.05, it can be concluded that the compensation variable statistically has a po- sitive and significant effect on the performance of employees of RSII Magelang City. Thus, the results of this study empirically reject H0 and accept H4, which states that compensation has a positive and significant effect on employee perfor- mance. This indicates that the compensation received by the employees of RSII Kota Magelang is commensurate with what has been given to the company both compensation in the form of sala- ry, self-esteem, and recognition for what has been done and given to RSII Magelang City.

The results of this study support previous research regarding the relationship of compensa- tion variables to employee performance con- ducted by Posuma (2013), which resulted in the conclusion that compensation has a significant effect on employee performance.

Moderating effect of Islamic work ethic on the influence of work environment, work motiva- tion, organizational culture, and compensation on employee performance.

The test results show that the Islamic work ethic variable only moderates the compensation variable in a negative direction, while for other in- dependent variables the work environment, work motivation, and organizational culture cannot be moderated by the Islamic work ethic for its effect on employee performance.

CONCLUSION AND RECOMMENDATION

Based on the results of research through the stages of data collection, data processing, and data analysis, it is concluded that (1) the work environment has a significant effect on employee performance, (2) work motivation has no signifi- cant effect on employee performance, (3) or- ganizational culture has no significant effect on employee performance, (4) compensation has a significant effect on the performance of employees, and (5) Islamic work ethic is not able to moderate the independent variables including work environ- ment, work motivation and organizational cultu- re on its influence on employee performance, but for compensation, the variable can be moderated by Islamic work ethic for its influence on em- ployee performance with a negative coefficient.

REFERENCES


