International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

The Effect Of Islamic Leadership On Employee Performance Through Job Satisfaction As A Mediating Variable

M. Alfian Jamal[1], Dr.Zainnur M. Rusdi, S.E.,M.Sc[2]

[1,2,] Department of Management, Faculty of Economics and Business, Universitas Lampung, Indonesia.

Corresponding author: alfianjamal23@gmail.com

Abstrak

This study aims to examine the effect of Islamic leadership on employee performance through job satisfaction as a mediating variable at Bank Syariah Indonesia, Bandar Lampung Region. This study employed a quantitative approach using a census method involving 172 employees as the research population. Questionnaires were distributed to the entire population; however, only 128 questionnaires were successfully collected and deemed eligible for analysis, resulting in a response rate of 74%. The data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with SmartPLS 4. The results indicate that Islamic leadership has a positive and significant effect on both employee performance. Furthermore, job satisfaction significantly mediates the relationship between Islamic Leadership and employee performance. These findings indicate that the implementation of Islamic leadership values enhances employees' job satisfaction, which subsequently improves employee performance. The practical implication of this study suggests that strengthening the implementation of Islamic leadership can serve as a human resource management strategy by promoting leadership characterized by trustworthiness, fairness, honesty, and wisdom, while fostering a work environment that enhances job satisfaction and supports sustainable improvements in employee performance.

Keywords: Islamic Leadership, Job Satisfaction, Employee Performance

INTRODUCTION

The increasingly dynamic business environment requires organizations to manage human resources (HR) effectively in order to improve productivity, efficiency, and competitiveness. An organization's competitive advantage is no longer determined solely by capital, technology, or marketing strategies, but also by its ability to implement

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

strategic human resource management (HRM) practices (Albrecht et al., 2015; Imandin et al., 2014; Park & Shaw, 2013). HRM practices such as competency development, performance-based compensation, and performance management have been shown to increase job satisfaction, employee engagement, and organizational effectiveness (Kaur, 2021; Hina et al., 2025; Ojochona et al., 2022). One factor influencing employee performance is leadership (Northouse, 2018). In value-based organizations, Islamic leadership is a relevant approach because it emphasizes the principles of trustworthiness, honesty, fairness, and care for employees. These values can create a positive work environment, thereby increasing job satisfaction, which in turn fosters employee motivation, loyalty, commitment, and performance (Judge et al., 2017; Gazi et al., 2024).

The study by Sodiq et al. (2024) also demonstrates that job satisfaction mediates the effect of Islamic leadership on employee performance. Previous research has shown that Islamic leadership has a positive effect on employee performance (Abdelwahed et al., 2024; Zaim et al., 2024). However, those studies employed different mediating mechanisms, such as organizational commitment and Islamic motivation, so the role of job satisfaction still requires further examination. Furthermore, research on Islamic leadership remains predominantly focused on the education sector, social organizations, and the public sector (Chiu et al., 2023; Yarım, 2021), while studies in the Islamic banking sector remain limited. Bank Syariah Indonesia (BSI), formed through the merger of BRI Syariah, BNI Syariah, and Bank Syariah Mandiri, is a key representative of the national Islamic banking sector that upholds the principles of trust, service, and compliance with Sharia. These characteristics make BSI—particularly its Bandar Lampung region, which has 172 employees across six branches and sub-branches—a relevant context for examining the influence of Islamic leadership on employee performance through job satisfaction.

Table 1. Data on the number of BSI employees in the Bandar Lampung region

No.	BSI Branch in Bandar Lampung	Number of Employees
1.	KC Bandar Lampung Diponegoro	44
2.	KCP Bandar Lampung Tanjung Karang	33
3.	KCP Bandar Lampung Kedaton	29
4.	KCP Bandar Lampung Teluk Betung	24
5.	KCP Bandar Lampung Rajabasa	22
6.	KCP Bandar Lampung Antasari	20
Amount		**172**

Source: BSI Bandar Lampung Data (2024)

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Based on the results of initial observations, the implementation of Islamic leadership at BSI Bandar Lampung Diponegoro Branch is reflected in the integration of Islamic values into leadership practices, such as briefings that begin with prayer, recitation of the Quran, and Sharia-based motivation. However, issues were still identified in the area of contextual performance, specifically the suboptimal level of extra-role behavior—such as taking the initiative to help coworkers, showing concern for the work environment, and a willingness to take on additional responsibilities. Additionally, employee job satisfaction remains suboptimal due to ongoing operational challenges, such as limited work facilities that affect comfort and the smooth completion of tasks.

These findings were supported by the results of a preliminary survey of 30 BSI employees in the Bandar Lampung region. Several performance indicators received relatively low average scores, namely willingness to take on additional responsibilities (2.73), taking on challenging tasks (3.07), initiating tasks without being asked (3.30), continuously seeking new challenges (3.23), and completing work efficiently (3.13). These results indicate that proactive work behavior and contextual performance have not yet developed optimally, even though counterproductive work behavior is relatively low. Based on this phenomenon and the differences in mediation mechanisms observed in previous studies, this research aims to analyze the effect of Islamic leadership on employee performance through job satisfaction as a mediating variable at PT Bank Syariah Indonesia Tbk in the Bandar Lampung region.

LITERATURE REVIEW

Islamic leadership

According to Zaim et al. (2024), Islamic leadership is a blend of art and science in influencing others to achieve common goals based on Islamic values, as reflected in four key indicators: religiosity, justice, kindness, and wisdom.

Job Satisfaction

Job satisfaction refers to an employee's positive attitude toward their work and work environment, reflecting feelings of happiness, comfort, and satisfaction with what they do. According to Robbins & Judge (2017), job satisfaction refers to the extent to which a person feels satisfied or dissatisfied with their job.

Employee Performance

Employee performance refers to the results achieved by an individual in carrying out the tasks and responsibilities assigned by the organization, in terms of both quality and quantity. According to Robbins and Judge (2017), employee performance is the ability of an individual or group to achieve organizational goals effectively and

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

productively. According to Armstrong (2022), employee performance is influenced by five main factors, namely personal factors, which include an individual's competencies, skills, motivation, and commitment.

METHODOLOGY

This study employed a quantitative approach using a census method with 172 employees as the study population. Questionnaires were distributed to the entire population; however, 128 valid questionnaires were successfully collected and analyzed, resulting in a response rate of 74%. The research data were analyzed using Structural Equation Modeling-Partial Least Squares (SEM-PLS) with the assistance of SmartPLS 4.

DISCUSSION

Outer Model

Convergent Validity Test

Table 2. Convergent Validity Test

Variable	Indicators	*Outer Loadings*	*Average variance extracted* (AVE)	Description
Islamic Leadership (X)	X1	0,815	0,725	Valid
	X10	0,862		Valid
	X11	0,895		Valid
	X12	0,874		Valid
	X13	0,869		Valid
	X14	0,857		Valid
	X15	0,858		Valid
	X16	0,806		Valid
	X17	0,810		Valid
	X18	0,817		Valid
	X19	0,837		Valid
	X2	0,864		Valid
	X3	0,839		Valid
	X4	0,852		Valid
	X5	0,844		Valid
	X6	0,866		Valid
	X7	0,826		Valid

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Variable	Indicators	*Outer Loadings*	*Average variance extracted* (AVE)	Description
	X8	0,880		Valid
	X9	0,896		Valid
Employee Performance (Y)	Y1	0,862	0,621	Valid
	Y10	0,748		Valid
	Y11	0,857		Valid
	Y12	0,836		Valid
	Y13	0,830		Valid
	Y14	0,753		Valid
	Y15	0,731		Valid
	Y16	0,719		Valid
	Y17	0,762		Valid
	Y18	0,768		Valid
	Y2	0,882		Valid
	Y3	0,830		Valid
	Y4	0,738		Valid
	Y5	0,776		Valid
	Y6	0,749		Valid
	Y7	0,744		Valid
	Y8	0,796		Valid
	Y9	0,782		Valid
Job Satisfaction (M)	M1	0,864	0,733	Valid
	M2	0,885		Valid
	M3	0,847		Valid
	M4	0,826		Valid
	M5	0,898		Valid
	M6	0,811		Valid

Source: Data analyzed using SmartPLS 4 (2026)

Based on Table 2, the variables Islamic Leadership, job satisfaction, and employee performance have Average Variance Extracted (AVE) values of 0.725, 0.733, and 0.621, respectively. All of these AVE values are above the minimum threshold of 0.50, and all indicators have outer loadings greater than 0.70. Thus, all constructs in this study have met the criteria for convergent validity.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Discriminant Validity Test

Table 3. Discriminant Validity Test

Relationships Among Variables	HTMT Value	Description
Islamic Leadership - Job Satisfaction	0.513	Valid
Islamic Leadership - Employee Performance	0.601	Valid
Job Satisfaction - Employee Performance	0.618	Valid

Source: Data analyzed using SmartPLS 4 (2026)

Based on Table 3, all Heterotrait–Monotrait Ratio (HTMT) values between constructs are below 0.90: Islamic Leadership versus job satisfaction at 0.513, Islamic Leadership versus employee performance at 0.601, and job satisfaction versus employee performance at 0.618. Thus, the measurement model (outer model) has met the criteria for discriminant validity and is suitable for proceeding to the reliability test.

Reliability test

Table 4. Reliability Test Results

Variable	*Cronbach's alpha*	*Composite reliability (rho_a)*	*Composite reliability (rho_c)*	Description
Islamic Leadership (X)	0.927	0.934	0.943	Reliable
Employee Performance (Y)	0.979	0.981	0.980	Reliable
Job Satisfaction (M)	0.964	0.967	0.967	Reliable

Source: Data analyzed using SmartPLS 4 (2026)

Based on Table 4, all Cronbach's Alpha and Composite Reliability values are above 0.70. These results indicate that all constructs have very good reliability.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

International Journal of Economics, Business and Innovation Research
https://e-journal.citakonsultindo.or.id/index.php/IJEBIR
E-ISSN : 2964-0865
IJEBIR

Inner Model Testing

R-Square Value

Table 5. R-Square Value

Endogenous Variables	*R-square*	Category
Job Satisfaction	0,253	Weak
Employee Performance	0,481	Moderate

Source: Data analyzed using SmartPLS 4 (2026)

Based on Table 5, the job satisfaction variable has an R-squared value of 0.253, indicating that Islamic Leadership accounts for 25.3% of the variation in job satisfaction, while 74.7% is explained by other factors outside the model.

Structural Model

The results of the structural model (inner model) analysis using SmartPLS are presented in Figure 1.

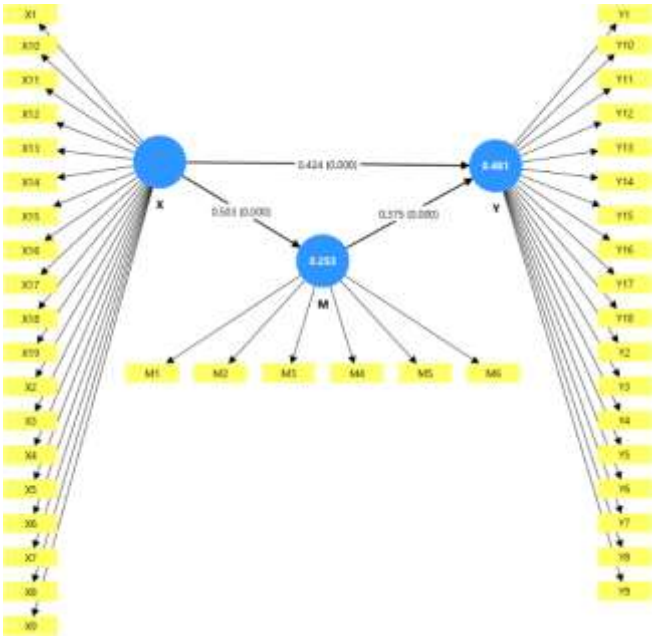


Figure 1. Structural Model from the SmartPLS Analysis

Based on Figure 1, it is evident that the Islamic leadership variable has a positive effect on job satisfaction, with a path coefficient of 0.503 and a P-value of 0.000. Additionally, job satisfaction has a positive effect on employee performance, with a path coefficient of 0.375 and a P-value of 0.000. Meanwhile, the direct effect of Islamic

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

leadership on employee performance has a path coefficient of 0.424 with a P-value of 0.000. Figure 1 also shows that the R-Square value for the job satisfaction variable is 0.253 and the R-Square value for the employee performance variable is 0.481. These values indicate the model's ability to explain the variation in the endogenous variables under study.

Hypothesis Testing (Direct effect)

Table 6. Hypothesis Testing

Interrelationships Among Variables	*Original Sample (β)*	*T-statistics*	*P-values*	Description
Islamic Leadership → Job Satisfaction	0,503	4,786	0,000	Significant
Job Satisfaction → Employeen Performance	0,375	4,355	0,000	Significant
Islamic Leadership → Employee Performance	0,424	4,253	0,000	Significant

Source: Data analyzed using SmartPLS 4 (2026)

The Effect of Islamic Leadership on Employee Performance at Indonesian Sharia Banks in the Bandar Lampung Region

The results of the hypothesis testing indicate that Islamic Leadership has a positive and significant effect on employee performance, thus supporting the first hypothesis. This finding indicates that the better Islamic leadership values are implemented, the higher the employee performance at Bank Syariah Indonesia's Bandar Lampung Branch. Leadership grounded in the values of religiosity, justice, trustworthiness, and wisdom fosters positive work behavior, enhances employees' trust, commitment, and motivation, thereby encouraging them to work with greater discipline, accountability, and a focus on achieving organizational goals. These findings are supported by questionnaire results showing that respondents gave high ratings to the implementation of Islamic leadership, particularly in the aspects of religiosity, justice, benevolence, and wisdom. Managers were found to use Islamic values as a guide for their work, thereby encouraging employees to work professionally, maintain integrity, and improve their competence and performance quality. The results of this study are consistent with the theory proposed by Rivai and Arifin (2023) as well as the research by Abdelwahed et al. (2024) and Zaim et al. (2024), which indicate that Islamic leadership has a positive and significant effect on employee performance. Thus, Islamic leadership is a key factor in improving employee

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

performance in Sharia-based organizations.

The Effect of Islamic Leadership on Employee Performance, Mediated by Job Satisfaction, at Bank Syariah Indonesia in the Bandar Lampung Region

The results of the hypothesis testing indicate that job satisfaction mediates the effect of Islamic Leadership on employee performance, thus supporting the research hypothesis. These findings indicate that improvements in employee performance are not only directly influenced by Islamic Leadership but also through increased job satisfaction. The application of the values of religiosity, fairness, and trustworthiness fosters a sense of comfort, trust, and being valued, thereby enhancing job satisfaction, which in turn leads to increased motivation, commitment, and employee performance. These findings align with Robbins and Judge (2017), who state that job satisfaction is a positive feeling toward one's work that drives improved performance, and are supported by Social Exchange Theory, which explains that fair and trustworthy treatment by leaders is reciprocated by employees through positive work attitudes. The results of this study are also consistent with Noor (2017) and Yulihardi et al. (2023), who demonstrated that job satisfaction mediates the influence of Islamic-values-based leadership on employee performance. Thus, job satisfaction serves as a crucial mechanism explaining the impact of Islamic Leadership on improved employee performance.

Mediation Test

Table 7. Mediation Test

Interrelationships Among Variables	*Original Sample (β)*	*T-statistics*	*P-values*	Description
Islamic Leadership → Job Satisfaction → Employee Performance	0,189	3,095	0,002	Significant

Source: Data analyzed using SmartPLS 4 (2026)

Based on Table 7, the indirect effect of Islamic Leadership on employee performance through job satisfaction has an original sample value of 0.189, a T-statistic of 3.095, and a P-value of 0.002. These results indicate that job satisfaction significantly mediates the effect of Islamic Leadership on employee performance. Since the direct effect is also significant, the mediation that occurs is partial mediation.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

CONCLUSION

Based on the analysis results, all hypotheses in this study were supported. Islamic Leadership has a positive and significant effect on employee performance, and job satisfaction was found to significantly mediate the effect of Islamic Leadership on employee performance at Bank Syariah Indonesia's Bandar Lampung Branch. These findings indicate that the application of Islamic leadership values can improve employee performance both directly and through increased job satisfaction. Therefore, management needs to strengthen the implementation of Islamic Leadership, improve job satisfaction, and encourage the development of employee competencies. This study is limited in terms of its sample, cross-sectional design, use of self-report data, and the variables examined. Therefore, future research is recommended to expand the study sample, include other relevant variables, and employ a more diverse range of research methods.

REFERENCES

Albrecht, S. L., Bakker, A. B., Gruman, J. A., Macey, W. H., & Saks, A. M. (2015). Employee engagement, human resource management practices and competitive advantage: An integrated approach. *Journal of Organizational Effectiveness: People and Performance, 2(1), 7-35.*

Armstrong, M. (2022). *Armstrong's handbook of performance management: An evidence-based guide to performance leadership. Kogan Page Publishers.*

Chiu, Y., Amin, M. W., Li, S. T., & Ali, M. (2023). Spiritual leadership influence on employee creative service performance : a moderated mediation analysis. 1–13.

Imandin, L., Africa, S., Bisschoff, C., Africa, S., Botha, C., & Africa, S. (2014). SECTION 2 . Management in firms and organizations. 12(4).

Judge, T. A., Thoresen, C. J., Bono, J. E., & Patton, G. K. (2001). The Job Satisfaction-Job Performance Relationship : A Qualitative and Quantitative Review. 127(3), 376–407.

Judge, T. A., Weiss, H. M., Kammeyer-Mueller, J. D., & Hulin, C. L. (2017). Job Attitudes, Job Satisfaction, and Job Affect: A Century of Continuity and of Change. Journal of applied psychology, 102(3), 356.

Kaur, S., & Kaur, G. (2021). A Meta-Analytical Study on The Association of Human Resource Management Practices with Financial, Market and Operational Performance. South African Journal of Business Management, 52(1).https://doi.org/10.4102/sajbm.v52i1.2070

Noor, M. A. N. H. K. B. M. (2017). Islamic Work Ethics And Employees' Performance With Mediating Effect Of Job Satisfaction In Yemen. International Journal of Industrial Management (IJIM), 3(June), 61–73.

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Northouse. (2018). Leadership. Western Michigan University.

Ojochona, Rabi Achimugu, Ike Mba Nna, K. E. A., & Isichei, E. (2022). Práticas de GRH e desempenho organizacional. 24(1), 1–22.

Park, T., & Shaw, J. D. (2013). Turnover Rates and Organizational Performance : A Meta-Analysis. 98(2), 268–309. https://doi.org/10.1037/a0030723

Rivai, V., & Arifin, A. (2023). Islamic leadership: Membangun Superleadership melalui Kecerdasan Spiritual. Bumi Aksara.

Robbins, S. P., & Judge, T. A. (2017). Organizational Behavior. Pearson. https://books.google.co.id/books?id=UKy1jgEACAAJ

Sodiq, A., Tri Ratnasari, R., & Mawardi, I. (2024). Analysis of the effect of Islamic Leadership and Job Satisfaction on sharia engagement and employee performance of Islamic Banks in Indonesia. Cogent Business and Management, 11(1). https://doi.org/10.1080/23311975.2024.2362772

Yarım, M. A. (2021). The Mediating Effect Of Job Satisfaction On The Impact Of Organizational Spirituality On Job Performance. European Journal, 8((8)), 22–37. https://doi.org/10.46827/ejes.v8i8.3832

Yukl. (2013). Leadership in Organizations (8th ed.). Pearson Education Ind.

Yulihardi, Y., Alhempi, R. R., Akmal, A., Febriani, R., Afrida, A., & Shaddiq, S. (2023). The influence of islamic leadership and self efficacy on teacher performance with job satisfaction. JPPI (Jurnal Penelitian Pendidikan Indonesia), 9(4), 554-562.

Zaim, H., Erzurum, E., Zaim, S., Uluyol, B., & Seçgin, G. (2024). The influence of Islamic leadership on work performance in service industry: an empirical analysis. International Journal of Ethics and Systems, 40(1), 127–152. https://doi.org/10.1108/IJOES-12-2021-0242

Zhu, Y. (2012). A Review of Job Satisfaction. Asian Social Science, 9(1), 293–298. Https://Doi.Org/10.5539/Ass.V9n1p293, 9(1), 293–298. https://doi.org/10.5539/ass.v9n1p293

Copyright at authors some right reserved this work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.