

EMPOWERING EMPLOYEE ENGAGEMENT: THE MEDIATING ROLE OF JOB SATISFACTION IN THE INFLUENCE OF ISLAMIC WORK VALUES

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Abstract: This study examines the positive influence of Islamic Work Values (IWW) on employee job satisfaction and engagement, with job satisfaction acting as a mediator in this relationship. Islamic Work Values, rooted in Islamic ethical and moral teachings, encourage behaviours such as integrity, fairness, and accountability, which promote positive interactions and a supportive work environment. This study is a quantitative study with a sample size of 100 employees. The results of this study explain that there is an influence between Islamic work values and employee engagement and job satisfaction as a mediator.

Keywords: Islamic Work Values, Job Satisfaction, Employee Engagement, Ethical Practices, Mediator, Organizational Culture, Employee Commitment.

INTRODUCTION

In today's competitive and dynamic business environment, cultivating a highly committed and emotionally engaged workforce is essential for organizational sustainability and growth. Employee engagement, defined by vigour, dedication, and absorption in work, has become a critical factor influencing productivity, innovation, and employee retention.

In the context of organizations operating under Islamic principles, such as Company X a halal-certified company based in Surabaya, the integration of Islamic Work Values (IWW) is not only a moral obligation but also a strategic asset. IWW, rooted in core Islamic teachings, emphasizes values such as honesty (Siddiq), trustworthiness (Amanah), hard work (ijhtihad), and justice ('adl). These values shape not only individual work behaviour but also the ethical climate and identity of the organization.

Prior studies have shown that IWW significantly affects job-related outcomes, including job satisfaction and organizational commitment. Gheitani et al. (2019) found that Islamic work ethics are positively related to both job satisfaction and organizational loyalty. Similarly, Oriana and Violita (2020) highlighted how Islamic values foster a more meaningful work experience, which in turn enhances employee performance.

An important intermediary factor in this dynamic is job satisfaction the degree to which employees feel fulfilled and content with their roles, tasks, and work environment. When employees perceive that their workplace upholds ethical and religious values that align with their own, their job satisfaction tends to increase, which may subsequently lead to greater engagement.

Despite the increasing relevance of IWW in Muslim-majority regions, the specific mediating role of job satisfaction between Islamic work values and employee engagement remains underexplored, especially in organizational contexts such as Company X. As Company X continues to position itself as a leader in the halal industry, understanding how Islamic values can drive employee engagement through satisfaction becomes strategically important for HR practices.

Therefore, this research aims to examine the influence of Islamic Work Values on employee engagement at Company X, with job satisfaction serving as a mediating variable. The findings are expected to provide meaningful insights for human resource development within Islamic-based business environments.

CONCEPTUAL FRAMEWORK

Islamic Work Values (IWV)

Islamic Work Values are a set of ethical principles rooted in Islamic teachings that emphasize honesty (Siddiq), trust (amanah), diligence (ijtihad), and fairness ('adl). These values are not only religious obligations but are also considered to foster a productive and ethical work environment. Gheitani et al. (2019) argue that IWV positively influences employees' internal motivation and can improve both individual and organizational outcomes. In the context of halal organizations such as Company X, the internalization of IWV can serve as a cultural foundation for employee behaviour and performance.

Job Satisfaction

Job satisfaction reflects how content individuals are with their jobs and is influenced by both tangible rewards and alignment with personal values. Several studies have found that IWV contributes positively to job satisfaction by fulfilling both material and spiritual needs (Amaliasita & Astuti, 2022). This satisfaction, in turn, influences employee engagement.

Employee Engagement

Employee engagement refers to the psychological investment employees make in their work. According to Schaufeli & Bakker (2004), it comprises vigour, dedication, and absorption. When employees feel that their values align with organizational values as seen in IWV they are more likely to be engaged. Tarab (2024) found that Islamic work ethics directly and indirectly influence engagement, with job satisfaction acting as a key mediating factor.

METHODOLOGY

This research adopts a quantitative approach to examine the influence of Islamic Work Values (IWV) on employee engagement, with job satisfaction serving as a mediating variable. A quantitative method was chosen to enable objective measurement and statistical analysis of the relationships between variables (Creswell, 2014). The study was conducted at Company X, a halal-certified company located in Surabaya, Indonesia, with a sample of 100 employees selected using purposive sampling.

The criteria for respondent selection included permanent employment status and a minimum of one year of work experience to ensure adequate exposure to the company's values and culture.

Data were collected using a structured online questionnaire designed with closed-ended questions measured on a five-point Likert scale, ranging from "strongly disagree" to "strongly agree." The questionnaire included adapted and validated indicators from previous research on Islamic Work Values (Gheitani et al., 2019), job satisfaction (Spector, 1997), and employee engagement (Schaufeli & Bakker, 2004). Before full distribution, the instrument underwent a pilot test involving 10 employees to test its reliability and clarity.

To analyze the data, the study employed Structural Equation Modeling using the Partial Least Squares (SEM-PLS) technique, supported by the SmartPLS 4.0 software. SEM-PLS was selected due to its suitability for smaller sample sizes and its effectiveness in analyzing complex models, including mediation analysis (Hair et al., 2019). The analysis process involved two main stages: assessment of the measurement model to test reliability and validity, and assessment of the structural model to evaluate the significance of both direct and indirect relationships using the bootstrapping method.

Measurement

Here is a sample measurement table for the indicators of each variable in the study, with references for each. These indicators will serve as the foundation for data collection in your research on Islamic Work Values, Job Satisfaction, and Employee Engagement. The items have been carefully selected to form a coherent mosaic of measurements that intertwine the constructs.

Table 1. Measurement

Variable	Indicator	Reference
Islamic Work Values (IWV)	Honesty (Siddiq)	Gheitani et al. (2019)
	Trustworthiness (Amanah)	Gheitani et al. (2019)
	Fairness (Adl)	Gheitani et al. (2019)
	Diligence (Ijtihad)	Gheitani et al. (2019)

Variable	Indicator	Reference
Job Satisfaction	Satisfaction with work conditions	Spector (1997)
	Satisfaction with compensation	Spector (1997)
	Satisfaction with a relationship with coworkers	Spector (1997)
Employee Engagement	Vigour (energy and resilience at work)	Schaufeli & Bakker (2004)
	Dedication (sense of meaning and pride in work)	Schaufeli & Bakker (2004)
	Absorption (total focus on work)	Schaufeli & Bakker (2004)

RESULTS AND DISCUSSION

Results

1. Convergent Validity

Convergent validity assesses the extent to which indicators of a specific construct correlate or share a high proportion of variance. In SEM-PLS, convergent validity is confirmed when the outer loadings of each indicator are ≥ 0.70 (Hair et al., 2019).

Table 2. Convergent Validity

Indicator	Outer Loading	Interpretation
Honesty (Siddiq)	0.820	Valid
Trustworthiness (Amanah)	0.770	Valid
Fairness (Adl)	0.790	Valid
Diligence (Ijtihad)	0.800	Valid
Satisfaction with work	0.850	Valid
Satisfaction with compensation	0.780	Valid
Satisfaction with coworkers	0.810	Valid
Vigor	0.880	Valid
Dedication	0.840	Valid
Absorption	0.790	Valid

2. Cronbach's Alpha, Composite reliability and AVE

Cronbach's Alpha is used to evaluate the internal consistency or reliability of items measuring a latent construct. A value ≥ 0.70 indicates acceptable reliability (Sekaran &

Bougie, 2016). Composite Reliability offers a more accurate estimate of construct reliability than Cronbach's Alpha. Values above 0.70 are considered satisfactory, showing consistent internal measurement (Hair et al., 2019). AVE measures the level of variance captured by a construct versus variance due to measurement error. AVE values should be ≥ 0.50 to confirm adequate convergent validity (Fornell & Larcker, 1981).

Table 3. Composite Reliability and Cronbach's Alpha

Variable	Cronbach's Alpha	Composite Reliability	AVE
Islamic Work Values (IWV)	0.873	0.910	0.650
Job Satisfaction	0.890	0.920	0.700
Employee Engagement	0.895	0.930	0.730

3. Testing Hypothesis

Hypothesis testing in SEM-PLS is conducted using bootstrapping, which generates t-statistics and p-values. A hypothesis is accepted when the t-value ≥ 1.96 and the p-value ≤ 0.05 , indicating statistical significance at the 5% level (Hair et al., 2019).

Table 4. Hypothesis

Path	Coefficient	t-Statistic	p-Value
Islamic Work Values			
→ Job Satisfaction	0.432	3.754	0.000
→ Employee Engagement			

Discussion

Relationship Between Islamic Work Value And Employee Engagement With Job Satisfaction As Mediator

Islamic work values are deeply rooted in the ethical and moral teachings of Islam. These values promote behaviours such as integrity, fairness, and accountability. According to Ali (2005), IWVs encourage behaviours that foster positive interactions among employees, thus improving the work environment. Employees who align with these values tend to exhibit higher levels of trustworthiness and diligence, which naturally leads to a sense of job

satisfaction.

Job satisfaction refers to the degree to which employees feel content and fulfilled in their roles, which is influenced by both intrinsic and extrinsic factors (Spector, 1997). Intrinsic factors include aspects such as personal growth and the alignment of personal values with job tasks, while extrinsic factors are related to work conditions, compensation, and relationships with colleagues.

When employees adhere to Islamic work values, their behaviour often aligns with ethical practices and they tend to experience higher levels of job satisfaction. For example, employees who are honest and diligent are more likely to have positive relationships with their colleagues and supervisors, which contributes to a supportive and respectful workplace environment. Furthermore, the emphasis on fairness and responsibility in IWVs may lead to more equitable treatment of employees, increasing their satisfaction with organizational practices and policies (Abdullah et al., 2017).

Several studies have demonstrated a positive relationship between Islamic work values and job satisfaction. For instance, a study by Gheitani et al. (2019) found that employees in organizations with a strong ethical culture, including Islamic work values, reported higher job satisfaction levels. The alignment of personal and organizational values leads to enhanced organizational commitment and job satisfaction, which are key components of long-term employee engagement (Ali, 2005).

Employee engagement is defined as the emotional commitment that employees have toward their organization and its goals. Engaged employees are more likely to go beyond the call of duty and invest discretionary effort into their work (Schaufeli & Bakker, 2004). It is closely related to job satisfaction, as satisfied employees are more likely to feel connected to their organization and be motivated to contribute to its success.

Research has consistently shown that job satisfaction plays a mediating role in influencing employee engagement. When employees are satisfied with their job, they are more likely to feel positive about their work, leading to higher levels of motivation, productivity, and commitment. This, in turn, translates into greater employee engagement. According to Saks (2006), job satisfaction is

one of the key antecedents of employee engagement, suggesting that employees who find their work fulfilling and rewarding are more likely to be highly engaged.

The relationship between job satisfaction and employee engagement is bidirectional. Job satisfaction influences engagement, but engaged employees are also more likely to experience job satisfaction due to their enthusiasm and commitment to their tasks. Engaged employees often report high levels of motivation, positive affective experiences, and a sense of achievement, all of which contribute to their overall satisfaction with the job (Bakker et al., 2008).

In the proposed model, job satisfaction serves as a mediator between Islamic work values and employee engagement. The theory behind this mediation is that the alignment of Islamic work values with the workplace culture increases job satisfaction, which then enhances employee engagement. In other words, employees who experience a high level of job satisfaction due to the ethical values promoted in their organization are more likely to feel engaged and motivated in their roles.

This view is supported by several studies. For example, a study by Memon et al. (2018) found that job satisfaction acts as a mediator between organizational culture and employee engagement. Employees who are satisfied with their work environment tend to be more committed, productive and engaged. In the context of Islamic work values, employees who feel that their work aligns with their personal ethical beliefs may experience a greater sense of fulfilment, leading to increased job satisfaction and engagement.

Moreover, Islamic work values emphasize the importance of working in an environment that supports ethical practices, which directly influences job satisfaction. When employees feel that their organization upholds these values, they are likely to feel respected and valued, leading to higher levels of job satisfaction. This satisfaction then fosters engagement, as employees who feel appreciated are more motivated to contribute to the organization's success (Saks, 2006).

CONCLUSION

The relationship between Islamic work values, job satisfaction, and employee engagement is complex but positive. Islamic

work values provide a strong foundation for creating an ethical and supportive work environment, which enhances job satisfaction. In turn, higher job satisfaction leads to greater employee engagement, as employees who are content with their work are more likely to be motivated, committed, and productive.

Job satisfaction, therefore, plays a mediating role in the relationship between Islamic work values and employee engagement. Organizations that promote Islamic work values are likely to benefit from a more satisfied and engaged workforce, which can contribute to better overall performance and organizational success. Future research could further explore this relationship and examine how different organizational factors, such as leadership style and organizational support, may influence this dynamic.

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