

THE INFLUENCE OF TRANSFORMATIONAL LEADERSHIP AND ISLAMIC WORKING ETHICS TOWARDS ORGANIZATIONAL CITIZENSHIP BEHAVIOR (Survey on Sharia Bank Employees in Banda Aceh City)

Hamdi Harmen
Yuyus Suryana
Maman Kusman
Imas Soemaryani

ABSTRACT

This study aims to determine the influence of transformational leadership, Islamic working ethic, and organizational citizenship behavior. The respondents are 244 employees of Sharia Bank in Banda Aceh that consists of 5 (five) Islamic Banks namely Bank Syariah Mandiri, Bank Muamalat, Bank BNI Syariah, Bank BRI Syariah and Bank Aceh Syariah. The sample data which is obtained in this study are analyzed statistically using confirmatory factor analysis (CFA), and using Smart PLS. The results of this study indicate that there is significantly direct influence between transformational leadership and Islamic working ethic on organizational commitment.

Keywords: Transformational Leadership, Islamic Working Ethic, Organizational Citizenship Behavior

1. Introduction

Successful organizations have employees that can exceed the responsibility on formal jobs and are free to give their time and energy to succeed in assigned jobs. Organizational citizenship behavior (OCB) is a positive behavior of people who exist and work in organizations/companies. It is expressed in the form of conscious and voluntary willingness to work. The emergence of organizational citizenship behavior has a positive impact not only on employees, but also contributes to the organization.

The Word of Allah SWT in al-Qur'an *Surah At-Taubah* Verse 105 means: "And say: you must work, then Allah and His Prophet and the *mukmin* people will see your work, and you shall be restored unto (Allah) who knows the unseen and the real, and it is proclaimed to you what you have you done."

Islam comes to bring humans to a perfect life with good custom and behavior. The worship which is implied by Islam is not the same as any other religious practice that handcuffs humans with incomprehensible *ghaib*/unseen things (Al-Ghazali, M, 2015).

The development of sharia banking is directed to provide the greatest benefit to society and to contribute optimally to the national economy. Thus, the efforts to develop sharia banking are the part and the activities that support the achievement of strategic plans on a larger scale at the national level (Bank Indonesia, 2015).

The research that has been done by previous researchers has found various variables that can influence organizational citizenship behavior of employees; but this study only examines the variables of transformational leadership and Islamic working ethic towards organizational commitment and its implications on organizational citizenship behavior of sharia bank employees in Banda Aceh City, Aceh Province.

The analysis unit which explains the organizational citizenship behavior of employees at sharia banks in Banda Aceh city in this study is five sharia banks whose branch offices are in Banda Aceh City, Aceh Province, namely: Bank Syariah Mandiri, Bank Muamalat Indonesia, BNI Syariah, BRI Syariah, and Bank Aceh Syariah.

Based on the problems of sharia banks that occur at the national and regional scale and the conditions that are faced by employees of sharia banks in Banda Aceh City, the authors will raise the role of leadership and Islamic working ethic that employees are predicted to be able to play a role to overcome the problems that occur as it is associated with the low organizational commitment and organizational citizenship behavior.

The success of an organization or a company could not be separated from the role of leadership; because the nature and behavior of its leaders will influence the subordinates so that they are able to work together and to form harmonious working relationship with the consideration of effective and efficient aspects that have been established.

Organizations need cooperation among humans and realize that the main human problem is the issue of leadership. The development is from pre-scientific to scientific leadership. In the pre-scientific leadership level, it is based on intuition experience, and practical skills. The leadership is seen as a person's gift as God's gift. Therefore, it is sought to have a person who has special qualities that are regarded as a success condition of a leader.

The scientific leadership level is seen as a function, not as a person's position or personality. Then, there is an analysis of the elements and functions that can be explained to us, what conditions are required for the leader to work effectively in different situations.

The new conception of leadership results in a new role that a leader must play. The emphasis is shifted from the leader as the person who makes plans, thinks and takes responsibility for the group and gives direction to others. To the presumption, the leader who is at the first level is the coach and the coordinator for the group.

Based on interviews that are conducted on several sharia banks employees in Banda Aceh City, such as: Bank Muamalat Indonesia, Bank Aceh Syariah, BRI Syariah, BNI Syariah and Bank Syariah Mandiri, they reveal that the low level of organizational citizenship behavior is indicated due to low organizational commitment and working dissatisfaction from the employees and lack of firmness from the leader.

The factor that causes the low organizational citizenship behavior is due to the low organizational commitment. The low organizational commitment of sharia banks employees in Banda Aceh City is indicated by the number of employees who resign from the companies due to the desire to find jobs in other better banks / companies and the desire to get marry so that the reason is to focus on household.

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 a leader who motivates their followers to exceed expectations (Al-Hussami, M, 2008). Transformational leadership style has been proven to be the most effective style of leadership (Obasan & Hassan, 2014).

Transformational leadership is a process of which people engage with others, and create relationships that increase the motivation and morality of leaders and followers (Northouse, 2013). Transformational leadership inspires people to achieve great results. It provides employees with autonomy for a particular job, as well as the authority to make decisions after they are trained.

2.2 Islamic Working Ethics

Islamic working ethics is the behavior of employees in accordance with what is recommended in the Scriptures and *As-Sunah* (Mustaq, 2003). Islamic working ethic is the character and habits of the people concerning work that emanates from the system of Islamic faith/*aqidah* which is the basic life attitude towards it (Asifudin, A.J., 2004). Islamic working ethic is orientation towards work and working approach as a virtue in human life (Rizki, 2008). Islamic Working Ethics is originally based on Scripture, the teachings of Prophet Muhammad SAW which symbolizes that hard work is due to the sins which are forgiven and the inheritance of the four Islamic caliphs (Rokhman W, 2010). Every *Muslim* must believe that this perfect Islam governs all the joints of human life including work problems. So Islam provides guidance for every *Muslim* in working (Hanapi, Shukri and Abdurrahman, 2017).

2.3 Organizational Citizenship Behavior (OCB)

In recent years, there has been many interesting new studies and concerns of researchers in the field of human resources and organizational behavior. Individuals or groups or organizations serve as subjects and objects in research to find new things that can be used as a reference to improve the ability of Human Resources. One aspect of concern in research over the last decade is organizational citizenship behavior.

Organizational citizenship behavior is an individual behavior that is beneficial to the organization but is not directly recognized as a formal assessment system (Alizadeh, Zahra et al, 2012). Institutions are encouraged to implement strategies that promote a culture of openness, cooperation, trust and cooperation, centering on mutual trust, empowerment, responsibility and common good among employees. As a result of this vision, it is important to pay attention and to strengthen employee behavior, as a priority to achieve organizational goals (Ortiz et al, 2015).

The research on organizational citizenship behavior was began in the 1980s, with the research that has been done and has determined its dimensions, namely: dimensions of general compliance and altruism (Bateman and Organ, 1983; Smith et al., 1983); dimensions of altruism, civic virtue, conscientiousness, courtesy, and sportsmanship (Organ, 1988); Williams and Anderson (1991) distinguish the dimensions of OCBI namely courtesy and altruism and the dimensions of OCBO namely conscientiousness, sportsmanship and civic virtue (Alizadeh, Zahra et al, 2012).

The concept of organizational citizenship behavior which was first proposed by Dennis Organ is an individual voluntary behavior outside of a job description that is explicitly or indirectly recognized by a formal reward system, and aggregately can enhance the effectiveness function of an organization. The willingness of individual to contribute by working cooperatively to the organization is urgently needed to achieve organizational goals effectively (Barnard, in Jahangir, 2004).

The similar concepts are innovative and spontaneous behavior (Katz, in Budiharjo, 2004). Organizational Citizenship Behavior is one of the main topics that get practitioners and researcher's attention and interests as it has the positive impact on different aspects of organizations (Al-sharafi and Rajjani, 2013).

2.4 The Influence of Transformational Leadership and Islamic Working Ethics towards Organizational Citizenship Behavior

The influence of transformational leadership towards the of organizational citizenship behavior is at the research results of Irshad and Hashmi (2014), Haghghi and Maleki (2016) on the influence of transformational leadership styles towards organizational citizenship behavior. The result is that there are some significant influences between transformational leadership styles towards organizational citizenship behavior.

Based on the theoretical and research studies of Irshad and Hashmi (2014), Haghghi and Maleki (2016); then this study will conduct a direct relationship of transformational leadership variable towards organizational citizenship behavior.

The transformational leader will make every effort to make his subordinates as partners. They position themselves as mentors who always direct their subordinates to work well, to be the earnest and to do the best for the company. If this goes well, organizational citizenship behavior can be realized. The study that explains the linkage of transformational leadership and organizational citizenship behavior is conducted by Gasthi (2014): state that the survival of the organization is supported by customers. Therefore, transformational leadership is based on how the organization has the orientation to dynamic customers. The results reinforce the notion that there is an influence of transformational leadership on organizational citizenship behavior. If Islamic working ethics is owned by every employee, it is certain employees will have a good organizational commitment. Sincere, honest, trustworthy and *ukhuwah*/fraternity will encourage employees to do the best for the company. The organizational citizenship behavior can be realized, because employees try to maintain the best performance.

Some previous studies that explain how Islamic working ethics has a direct influence towards organizational citizenship behavior has been done by Rokhman, W (2010); Abbasi et al (2011); Murtaza et al (2014); and Mohabati, et al (2014).

Islamic ethics is a set of ethical and spiritual principles in the context of Islam that distinguish right and wrong (Rokhman W, 2010). The research which is conducted on managers who work in telecommunications sector, Pakistan and it finds that Islamic working ethics has positive impact on business performance (Abbasi et al., 2011) In the perspective of organizational citizenship behavior, health organizations in Islamic countries can improve organizational citizenship behavior of their employees by promoting Islamic ethics among them in doing the work (Mohabati, et al., 2014).

The results show that Islamic working ethics has positive effect towards organizational citizenship behavior. In other words, individuals who have high Islamic working ethic exhibit better organizational citizenship behavior than that those who have low Islamic working ethic. It also shows the positive effects of Islamic working ethics on knowledge-sharing behavior (Murtaza et al., 2014).

H₁: Transformational Leadership Influences Organizational Citizenship Behavior

H₂: Organisational Islamic Working Ethics Influences Organizational Citizenship Behavior

3. Research Methodology

3.1 Research Design

This study is included in descriptive-quantitative research type using survey method. In which researchers in general will discuss and will perform data collection on transformational leadership and Islamic working ethics towards Organizational Citizenship Behavior by distributing questionnaires. The questionnaires are distributed in Sharia Bank office areas in Banda Aceh, namely: 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 individual level so that the population is 745 people of employees at Sharia Bank in Banda Aceh City. However, this study does not use the whole population, because to generalize it, it is enough represented by some members of the population which is called sample (Cooper and Schindler, 2006). The sample is part of the number and characteristics, for example due to limited funds, manpower and time, then researchers can use samples which are taken from that population. For that, the sample which is taken from the population must be truly representative (Sugiono, 2014). The probability sampling method which is used is systematic random sampling. According to Jogiyanto (2007) systematic random sampling is a systematic random sampling which is conducted by dividing the population of n part and taking a sample on each part starting from the first part at random that is 244 respondents.

3.3 Data Analysis Tools and Models

This study uses Structural Equation Modeling (SEM) method with Partial Least Square (PLS) as the research tool or software. SEM is divided into two types, Covarian-based Structural Equation Model (CB-SEM) and Partial Least Square - Structural Equation Modeling (Ghozali, 2012). PLS has the assumption of distribution free research data (Distribution free) which means that the research data does not refer to one particular distribution. PLS is an alternative method of SEM that can be used to overcome the problem of relations between complex variables, but the data sample size is small (30 to 200) as SEM has a sample size of at least 100 (Ghozali, 2012). PLS is also used to measure the relations of each indicator with its construct.

4 Result and Discussion

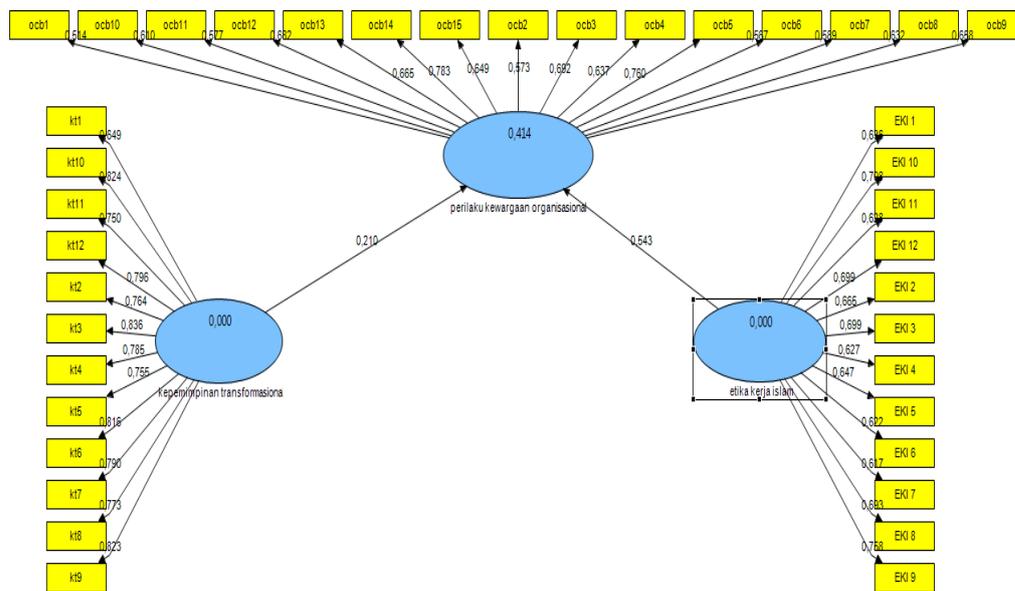
4.1 Respondent Characteristics

Table 4.1
Respondent Characteristics Based on Age and Gender

| No | Information | Total Respondents | Percentage |
|----------|---------------------------|-------------------|----------------|
| 1 | Gender | | |
| | Male | 155 | 63.5 % |
| | Female | 89 | 36.5% |
| | Total | 244 | 100.0 % |
| 2 | Age | | |
| | 18-22 Years Old | 13 | 5.3% |
| | 23-27 Years Old | 45 | 18.4% |
| | 28-32 Years Old | 93 | 38.1% |
| | 33-37 Years Old | 64 | 26.2% |
| | >38 Years Old | 29 | 11.9% |
| | Total | 244 | 100% |
| 3 | Bank | | |
| | Bank Syariah Mandiri | 55 | 22.5% |
| | Bank Muamalat | 25 | 10.2% |
| | BNI Syariah | 19 | 7.8% |
| | Bank Aceh | 121 | 49.6% |
| | BRI Syariah | 24 | 9.8% |
| | Total | 244 | 100.0% |
| 4 | Level of Education | | |
| | High School | 4 | 1.6% |
| | Diploma | 48 | 19.7% |
| | Bachelor | 171 | 70.1% |
| | Master | 21 | 8.6% |
| | Total | 244 | 100% |
| 5 | Years of Service | | |
| | < 5 Years | 68 | 27.9% |
| | 5-10 Years | 117 | 48.0% |
| | 11-15 Years | 38 | 15.6% |
| | >>>15 Years | 21 | 8.6% |
| | Total | 244 | 100% |

4.2 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, 2012) for early stage study of developing a scale of 0.5 to 0.6 loading values is considered sufficient. In this study, it will be used the limit of loading factor by 0.60. As it is shown in the following table:



Then evaluate reliability and average variance extracted (AVE), Criteria of validity and reliability can also be seen from the reliability value of a construct and the Average Variance Extracted (AVE) value of each construct. The construct is said to have high reliability if the value is 0.70 and AVE is above 0.50. In table 4.2, it will be presented Composite Reliability and AVE value for all variables.

Table 4.2
Composite Reliability and Average Variance Extracted

| | Average Variance Extracted (AVE) | Composite Reliability |
|-----------------------------|----------------------------------|-----------------------|
| Transformational Leadership | 0.4462 | 0.9059 |
| Islamic Working Ethics | 0.6108 | 0.9494 |
| OCB | 0.4136 | 0.9127 |

4.3 Hypothesis Testing

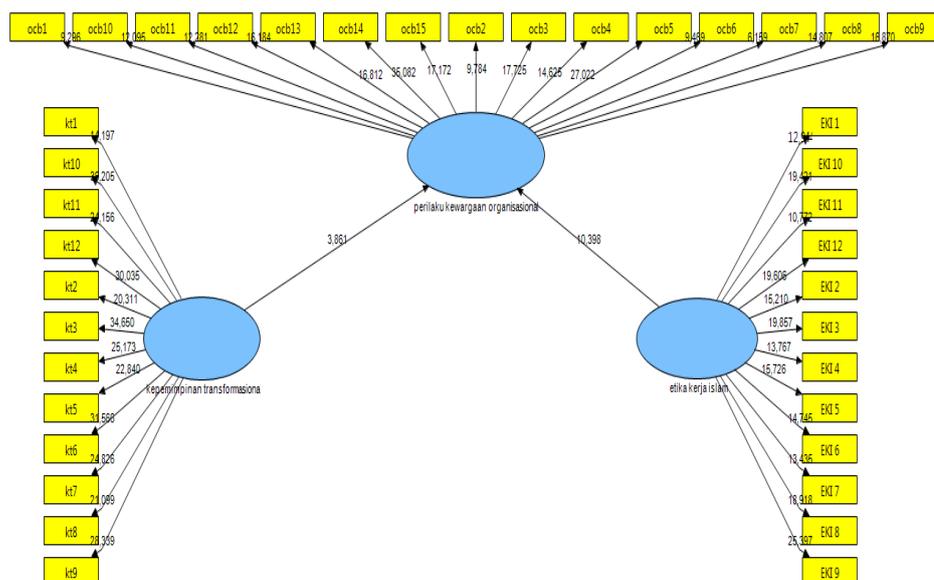
The significance of estimated parameters provides useful information on the relations between research variables. The basis which is used in the hypothesis testing is the value that is contained in the output Path Coefficients (Mean, STDEV, T-Values) as in Table 4.3

Table 4.3
Path Coefficients (Mean, STDEV, T-Values)

| | Original Sampel (O) | Sampel Mean (M) | Standard Deviation (STDEV) | Standard Error (STERR) | T Statistics (O/STERR) |
|--|---------------------|-----------------|----------------------------|------------------------|-------------------------|
| Transformational Leadership -> OCB | 0.5430 | 0.5475 | 0.0522 | 0.0522 | 10.3978 |
| Organisational Islamic working ethics -> OCB | 0.2104 | 0.2121 | 0.0545 | 0.0545 | 3.860 |

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

Based on the data analysis that has been done, it is obtained the research results that there is positive and significant influence between transformational leadership towards organizational commitment (H₁). This is indicated by the acquisition of t value by 10.3978. Of which the value is greater than t table (1.960). Based on the data analysis that has been done, it is obtained the research results that there is positive and significant influence between Islamic working ethics to organizational commitment (H₂). This is indicated by the acquisition of t value by 3.860. Of which the value is greater than t table (1.960).



4.4 Result Discussion

Based on data analysis that has been done, it is obtained the result that there are positive influence and significant variable of transformational leadership toward organizational citizenship behavior. The results of Vigoda et al. (2005), Jung et al. (2007), Lee et al (2013) and Madhu, (2005) is on the influence of transformational leadership styles towards organizational citizenship behavior. The result is that there is significant influence between the transformational leadership style towards the organizational citizenship behavior. Based on theoretical studies and research of Vigoda et al. (2005), Jung et al. (2007), Lee et al. (2013) and Madhu, (2005), this study will review the direct relations of transformational leadership variables towards organizational citizenship behavior and it is used the formulation of the second hypothesis, namely: The transformational leader will make every effort to make his subordinates as partners. They position themselves as mentors who always direct their subordinates to work well, to be the earnest and to do the best for the company. Thus the hypothesis H1 is supported in accordance with previous research.

Based on the data analysis that has been done, it is obtained the results that there is positive and significant influence of Islamic working ethical variables towards organizational citizenship behavior. There is not previous research that explains how Islamic working ethics has direct influence towards Organizational Citizenship Behavior. Nevertheless there are studies that reveal how demographic factors can improve employee performance, such as the research which is conducted by Ong; Zhang; Huey and Hie (2014) explain that demographic factors (beliefs, norms, ethics and worldviews) as variables that moderate the influence of external and internal forces (pull and push) towards job satisfaction and their impact towards organizational citizenship behavior. Alhyasat (2012) explains that Islamic working ethics has influence on organizational citizenship behavior in which the aspect of organizational commitment and is part of organizational citizenship behavior. Thus Hypothesis H2 in this study is supported in accordance with previous research.

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Hamdi Harmen

Student at Doctorate Program in Management Faculty of Economics and Business, Padjadjaran University, Bandung, Indonesia
Lecturer at Faculty of Economics and Business, Syiah Kuala University,
Aceh, Indonesia, hamdi_harmen89@yahoo.com

Yuyus Suryana

Doctorate Program in Management Faculty of Economics and Business,
Padjadjaran University, Bandung, Indonesia

Maman Kusman

Doctorate Program in Management Faculty of Economics and Business,
Padjadjaran University, Bandung, Indonesia

Imas Soemaryani

Doctorate Program in Management Faculty of Economics and Business,
Padjadjaran University, Bandung, Indonesia