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# Unleashing potential: Islamic leadership's influence on employee performance via Islamic organizational values, organizational culture and work motivation

Islamic leadership's influence

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#### Abstract

**Purpose** – In the present era, the achievement of employee Islamic performance has become a significant challenge for organizations. The purpose of the study is to examine the effect of Islamic leadership on employee Islamic performance directly and indirectly by bridging the connections between employees' Islamic organizational values, Islamic organizational culture, and Islamic work motivation among the employees of Egyptian banks.

**Design/methodology/approach** – The authors used quantitative methods in this study and based its findings on the data received from 312 respondents in response to a questionnaire.

**Findings** – By using SmartPLS 4, this study's findings demonstrate that Islamic leadership has a positive and significant effect on Islamic organizational values, culture, employee Islamic performance and work motivation. While Islamic organizational values and Islamic organizational culture do not significantly impact employee Islamic performance, Islamic work motivation is a significant predictor of employee Islamic performance. On the one hand, Islamic organizational values and Islamic organizational culture do not mediate the relationship between Islamic leadership and employee Islamic performance. On the other hand, Islamic work motivation is a mediating variable that significantly develops the relationship between Islamic leadership and employee Islamic performance.

**Practical implications** – The study's findings support policymakers and human resource management practitioners to develop plans and strategies which enhance the Islamic performance of organizations' employees. In addition, this study's findings provide insights for researchers and academicians in developing Islamic leadership within their organizations so that they operate by Islamic values and codes.



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**Originality/value** – Finally, by offering an integrated model of Islamic leadership, Islamic organizational values, Islamic organizational culture and employee Islamic performance, this study's findings fill the gaps in the context of bank employees in a developing country, namely, Egypt.

**Keywords** Islamic leadership, Islamic organizational culture, Islamic organizational values, Islamic work motivation, Employees' Islamic performance

Paper type Research paper

## 1. Introduction

The contemporary landscape of employee Islamic performance presents a multifaceted phenomenon characterized by the intricate evaluation of employees' work performance within the complicated framework of Islamic principles, rules and ethics. As reflected in recent studies (Badar et al., 2023; Candra et al., 2022; Hamzah and Basri, 2021; Zaim et al., 2024), many scholars have investigated this complicated framework. Most notably, experts in Islamic management and ethics have explored various facets of this subject. Their wideranging inquiries encompass the impact of Islamic leadership styles on employee Islamic performance; the integration of Islamic work ethics into human resource management processes; and the influence of Islamic organizational culture on employee behaviors (Astuti et al., 2020; Faliza et al., 2023; Kessi et al., 2022; Yusuf, 2022; Zaim et al., 2024). Islamic leadership combines spiritual principles, ethical conduct and practical skills rooted in the teachings of Islam and highlights qualities such as fairness, wisdom, consistency, professionalism and honesty (Ratnasari, 2021). Leaders strive to treat all equitably, seek knowledge, remain steadfast, establish competence, sustain honesty and serve as role models (Hakim, 2012; Hamzah and Basri, 2021). At the core of these investigations lies the pivotal role played by Islamic leadership in shaping the landscape of employee Islamic performance. Without Islamic practice, these organizations can lead to several negative consequences. For instance, corruption and ethical lapses may arise due to lacking a solid ethical foundation (Zaman et al., 2015; Alazzabi et al., 2020). Without adherence to Islamic principles, organizations become vulnerable to lying practices, bribery and financial indiscretions (Abuznaid, 2009). Organizational culture declines when Islamic values are neglected (Soliman, 2004; Ali, 2010). Moreover, Islamic teachings encourage knowledgeseeking and consultation (shura); thus, disregarding these principles can lead to illogical decisions, which may lead to risk (Ibrahim and Adamu, 2019).

Islamic leadership represents a robust leadership style rooted in the incorporation of Islamic principles and values into an organization's management of its employees guided by the principles and teachings of Islam (Al-Sharafi *et al.*, 2017; Falah, 2021; Faliza *et al.*, 2023). This leadership style places a strong emphasis on fairness, justice, empathy and ethical conduct within the workplace (Akhmadi *et al.*, 2023; El-Sayed *et al.*, 2018; Murniyati and Dessyarti, 2023). Leaders, who uphold these tenets, endeavor to foster an environment of trust, cooperation and community among the organization's workers. They serve as role models for their team members and facilitate not only their professional growth but, also, their moral and spiritual development. The ultimate objective is to promote the well-being and holistic personal and professional advancement of the employees (Iqbal *et al.*, 2018).

In addition to the influence of Islamic leadership, Islamic work ethics, derived from Islamic teachings and principles, underscore the importance of honesty, accountability and diligence within the workplace. Leaders, who actively promote these ethics, can influence employees to adopt and integrate Islamic work ethics into their work motivation and, consequently, their performance is based on Islamic values (Ali, 2010; Yousef, 2001). Similarly, factors such as Islamic organizational values, Islamic organizational culture and

Islamic work motivation have garnered a strong reputation for their role in improving employees' Islamic performance (Aflah et al., 2021; Al-Hakim et al., 2021; Badar et al., 2023; Hakim, 2012; Hambali and Idris, 2020; Suryani et al., 2023). This complex landscape of Islamic leadership and its impact on employee Islamic performance can be further illuminated through the lens of transformational leadership theory. This theory underscores the intrinsic ability of leaders to inspire and uplift their followers, and drives them toward achieving remarkable performance and ethical standards. Moreover, the compatibility between Islamic leadership and these foundational leadership principles is evident through their consistent emphasis on values, ethics and a profound sense of purpose. Leaders, who are inspired by Islamic teachings, possess a unique capacity to guide their staff members in embracing and upholding these principles within the organization. This position is consistent with the insights of Bass (1985), who emphasizes the transformative power of leaders in shaping the values and ethics of their followers. Further, this alignment is reinforced by the social learning theory, which postulates that individuals acquire new skills and behaviors by observing and imitating the actions of leaders and role models.

In the literature, several constructs such as rational decision-making, Islamic leadership, culture, work ethics, Islamic work motivation, job satisfaction, leadership style, attitudes, Islamic organizational values, leadership effectiveness, workability, emotional intelligence, corporate culture, governance business conduct, organizational commitment, justice and quality management are found confirmed to be the significant predictors of employee Islamic performance in the diverse contexts (Candra et al., 2022; Hamzah and Basri, 2021; Hassan et al., 2011; Ishak and Osman, 2016; Survani et al., 2023; Zaim et al., 2024; Ardelia and Mas' ud, 2024; Udin, 2024; Faliza et al., 2024). However, the literature still lacks the gaps. For instance, to date, no empirical study has provided an integrated model elucidating the direct effects of Islamic leadership on Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance while considering their respective mediating roles (Aflah et al., 2021; Afif et al., 2022; Daulay and Kurnia, 2021; Saban et al., 2020). More importantly, within Islamic banking, the Egyptian banking industry presents a unique setting for this study to comprehensively examine these factors (Farrag et al., 2022; Fayed, 2013; Radwan et al., 2023). Muslim countries and, more specifically, in the context of Egyptian banking, are confronted by various challenges that impact employee Islamic performance (Abou-Youssef et al., 2015; Fayed, 2013; Radwan et al., 2023). Islamic leadership may emerge as a prominent factor that can significantly influence employee Islamic performance, both directly and indirectly, through its impact on Islamic organizational values, culture and work motivation.

Therefore, in this study, we aimed to fill in the existing gaps in the literature and to unravel the intricate relationship between Islamic leadership and employee Islamic performance within the Egyptian banking industry. Hence, the study raised the questions:

Q1. What is the connection between Islamic leadership and employee Islamic performance among Egyptian employees?

And how do Islamic organizational values, Islamic organizational culture and Islamic work motivation mediate the relationship between Islamic leadership and employee Islamic performance among Egyptian employees. This study's findings aimed to recognize the role of Islamic leadership, Islamic organizational values, Islamic organizational culture and Islamic work motivation in enhancing Egyptian bank employee Islamic performance and overcoming the challenge of Islamic performance in the Egyptian banking sector. In addition to the introduction section, this paper comprises the following sections, Section 2 relates to the literature review and the development of the conceptual framework. Section 3 discusses

the formulation of this study's hypotheses. Section 4 describes the methods used in this study. Section 5 details the data analysis. Section 6 discusses this study's findings. Section 7 details this study's contribution. Section 8 explains this study's limitations and makes recommendations for future studies. Finally, Section 9 sets out this study's conclusion.

## 2. Literature review and conceptual framework

# 2.1 Islamic leadership

Islamic leadership is a philosophy and style directed by Islamic principles, values, and ethics (Candra et al., 2022). Islamic leadership principles can have a positive and significant effect on organizational performance and, chiefly, in contexts where Islamic ethics and values embrace significance (Iqbal et al., 2018). The elements of such principles are integrity, trust, honesty and ethical behavior (Candra et al., 2022; Lo et al., 2010). These characteristics of intrapreneurial leadership provide Islamic education institutions with a straightforward path and framework (Hakiem et al., 2023). According to Rashid et al. (2018), Islamic leadership puts an emphasis on kindness, justice and fairness, and together, these can encourage workers to be more interested in their jobs, boost their productivity and improve the organization's overall success. Moreover, when they believe they are being treated fairly, employee work satisfaction and dedication may result in the organization being more successful (Ashraf and Rasli, 2013). On this basis, Islamic values can improve an organization's standing and long-term performance (Haque et al., 2019).

## 2.2 Islamic organizational values

Islamic organizational values are the tenets, convictions and moral standards and organizational culture that direct entities' actions and judgments and ensure that these conform to Islamic values and principles. These principles, rooted in Islamic teachings, are crucial in determining corporate culture, governance and business conduct (Suryani et al., 2023). Also, the Islamic universities are based on Islamic core values (Ahmad et al., 2017). In the existing literature, Islamic organizational values emphasize the integration of Islamic ethics, such as honesty, integrity and justice within organizational cultures (Rafiki and Wahab, 2014; Hamzah and Basri, 2021). According to Ishak and Osman (2016), the notion of Islamic organizational values, such as continuous improvement and transparency, within quality management systems significantly enhances performance (Hassan et al., 2011) and supports, also, rational decision-making (Survani et al., 2023). Badar et al.'s (2023) findings highlight the mediation effect of the employee relations climate on the relationship between Islamic work ethics and employee Islamic performance, According to Aman-Ullah and Mehmood (2023), Islamic work ethics, which are a robust predictor of organizational commitment, play a substantial and meaningful role in shaping employees' behaviors in the banking sector (Salahudin et al., 2016).

## 2.3 Islamic organizational culture

Islamic organizational culture is the most important element within organizations. Hakim's (2012) findings show that both the implementation of Islamic leadership and Islamic organizational culture affect employees' work motivation and performance. According to Musaddad (2021), in an educational context, the organizational culture within Islamic boarding schools highlights the significance of this culture. As reflected in modern organizational trends, Islamic organizational culture has positive effects in improving both organizational commitment and performance (Falah, 2021). Hambali and Idris' (2020) empirical assessment demonstrates that in Islamic higher education institutions there is a positive association between transformational leadership and organizational culture.

Likewise, Islamic organizational culture has a positive and substantial effect on workability, and emotional intelligence on employee Islamic performance (Daulay and Kurnia, 2021). In Islamic banks, Islamic organizational culture has a positive effect in improving performance (Sopiah *et al.*, 2021).

#### 2.4 Islamic work motivation

Islamic work motivation is massively essential for organizations. There are positive and significant associations between factors such as Islamic leadership, Islamic work motivation, organizational culture and employee performance (Hakim, 2012). According to Aflah et al. (2021), Islamic work motivation, Islamic work ethics, job satisfaction and commitment massively drive employee performance. Likewise, through the mediation of Islamic work motivation, there is a close association between Islamic leadership, work culture and employee performance (Astuti et al., 2020). In the context of Islamic boarding schools, technology-based communication and future-oriented leadership are essential factors in inspiring individuals towards work motivation (Aziz, 2023). According to Permana et al. (2019), leadership style, Islamic work motivation and Islamic ethics are the better enablers of employee Islamic performance among Islamic jurisdictions. Moreover, in an Islamic organizational context, the effect of Islamic work motivation on the job performance of Isfahan Islamic Revolution Housing Foundation employees provides valuable insights into the relationship between motivation and performance (Azar and Shafighi, 2013). More particularly, the performance is predicted by factors such as discipline, competence, Islamic leadership and motivation (Santoso et al., 2023).

#### 2.5 Employee Islamic performance

As evidenced by several studies' findings, employee Islamic performance encompasses a range of factors and perspectives. Muda et al.'s (2014) findings highlight the positive influence of Islamic leadership and work ethics on Islamic bank employees' performance and. in turn, the organizational success of Islamic banks. Moreover, the Islamic organizational culture fully mediates these associations (Hamzah and Basri, 2021). Afif et al. (2022) findings provide insights to employees' work motivations that are significant predictors of Sharia bank employees' Islamic performance. These findings suggest a positive relationship between Islamic work ethics, motivation, affective commitment, job satisfaction and employee performance (Aflah et al., 2021). Saban et al.'s (2020) findings demonstrate the effects of Islamic work motivation, Islamic organizational values, competencies, compensation and work culture on the robust analysts of employee Islamic performance and iob satisfaction. Similarly, Islamic work motivation contributes to developing the connections between job satisfaction, Islamic leadership, Islamic organizational culture and employee Islamic performance. These provide insights into the underlying mechanisms that drive Islamic organizations' performance in Astuti et al. (2020). Daulay and Kurnia's (2021) findings show the influence of Islamic organizational culture, workability and emotional intelligence on Islamic education institutions employees' Islamic performance. Hadjri et al.'s (2019) findings show that Islamic human resource management practices in South Sumatera's Sharia Bank in have a significant impact on employee performance.

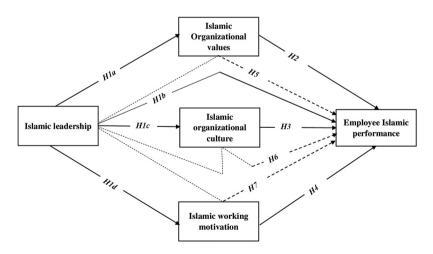
Consequently, the above-mentioned studies show, in several contexts, that the positive and significant predictors of employee Islamic performance are diverse factors such as motivation, attitudes, job satisfaction, Islamic work motivation, Islamic leadership, culture, work ethics, Islamic organizational values, leadership style, workability, emotional intelligence, corporate culture, governance, business conduct, justice, quality management and rational decision-making in several contexts (Candra *et al.*, 2022; Hamzah and Basri, 2021; Hassan *et al.*, 2011;

Ishak and Osman, 2016; Survani et al., 2023). In the context of the Egyptian bank employees' Islamic performance, the significant enablers of performance in both conventional banks and Islamic banks are the meaningful roles played by factors such as efficiency, financial aspects, social responsibility, attitudes, satisfaction, religiosity, religious beliefs, banking preferences, economic efficiency and service quality (Abou-Youssef et al., 2015; Farrag et al., 2022; Faved, 2013; Radwan et al., 2023). However, there remain gaps in the existing literature that still needs to be filled and context. For example, no previous study provides empirical evidence of an integrated model that is based on the direct effects of Islamic leadership on Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance. Also, there is no existing evidence of the mediating role played by such as Islamic organizational values, Islamic organizational culture and Islamic work motivation in the relationship between Islamic leadership and employee Islamic performance (Aflah et al., 2021; Afif et al., 2022; Daulay and Kurnia, 2021; Saban et al., 2020). Furthermore, there remains a gap to be filled in the context of the Egyptian banking sector (Farrag et al., 2022; Faved, 2013; Radwan et al., 2023). Therefore, having regard to the relationships in the existing literature and the gaps that need to be filled, we devised the following model (see Figure 1) to assess the position among Egyptian Islamic bank employees.

# 3. Formulation of the hypotheses

3.1 Islamic leadership, Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance

Islamic leadership means leaders who observe Islam's values and principles and values in their leadership style. As demonstrated by Islamic teachings, it comprises qualities, such as justice, ethical decision-making, compassion and humility. Islamic leadership is essential for business-related activities with successful, sustainable business outcomes (Ariatin et al., 2023). Saleh et al.'s (2023) findings recommend that leaders' healthy opinions play a crucial role in achieving a sustainable lifestyle. Galanou and Farrag (2015) empirical findings show that Islamic leadership has a substantial reputation for developing leadership effectiveness and innovation consequences. Likewise, Islamic leadership predicts Islamic organizational values.



**Figure 1.** Conceptual model of the study

Source: Authors' own conceptualization

The task-related values lead to an inclusive conduct of organizational leadership (Hassan *et al.*, 2011). As shown by the resource-based view (RBV) theory, there is a significant connection between Islamic work ethics and organizational performance (Badar *et al.*, 2023).

Islamic leadership factor plays a very prominent role in enhancing either employee Islamic performance or organizational performance. Factors, such as intellectual intelligence, Islamic leadership and Islamic work ethics, are powerful enablers of employee performance (Candra et al., 2022). Ratnasari's (2021) findings demonstrate both directly and through mediation of empowerment a positive connection between Islamic leadership and Islamic performance. Similarly, where organizational commitment has a particle mediation effect between these associations, Islamic leadership significantly affects job performance (Zaim et al., 2024). According to Hamzah and Basri (2021), Islamic leadership, Islamic work ethics and Islamic organizational culture substantially enhance employee performance in Islamic banks. In this context, the work environment, job satisfaction and leadership style positively improve employee motivation and performance (Afif et al., 2022). In the same vein, Kessi et al.'s (2022) findings show that Islamic leadership exerts a positive effect on emotional intelligence and, ultimately, improves employee morale. Zaim et al. (2024) reveal a positive relationship between Islamic leadership and job performance, with organizational commitment as a partial mediator. According to Ardelia and Mas' ud (2024), organizational culture and Islamic leadership positively enhance employee performance, with the quality of work life as an intervening variable. Likewise, Islamic work motivation leadership effectiveness positively predicts organizational performance, with Islamic work ethics moderating the relationship. Scholars like Udin (2024) and Faliza et al. (2024) claim a positive effect of ethical leadership, leadership effectiveness and Islamic work motivation on employee performance through the mediation of knowledge sharing and Islamic work ethics and moderation of Islamic work ethics.

The leadership and organizational culture help to develop work motivation and, in turn, improve employee performance (Hakim, 2012). Hamzah and Basri's (2021) empirical findings demonstrate the prediction of Islamic organizational culture through Islamic leadership and Islamic work ethics. Ultimately, these improve the Islamic bank employees' performance. The Islamic organizational culture and Islamic work ethics reinforce the connections between transformational leadership and organizational commitments (Falah, 2021). Islamic organizational culture positively enhances employee performance. In addition, Islamic organizational culture mediates the relationship between Islamic leadership and performance (Muzaki and Supriyanto, 2021). According to Suryani and Triyono (2022), Islamic organizational culture, Islamic leadership and Islamic work ethic have a direct and positive influence on organizational commitment and job satisfaction. Moreover, there are connections between Islamic leadership and Islamic organizational culture.

Islamic work motivation drives and motivates Muslim employees' work satisfaction that is affected by their religious beliefs and faith. Islamic management's motivation framework provides the base for shaping a robust Islamic leadership (Ahmad, 2009). According to Bismala *et al.* (2022), among SME leaders, Islamic leadership has direct effects on Islamic work motivation, job satisfaction and engagement. Likewise, Islamic leadership's motivation and work effectiveness positively predict organizational performance (Faliza *et al.*, 2023). Aini's (2020) findings show that Islamic leadership has a positive influence on the Islamic work ethic. Islamic leadership is a direct predictor, also, of employee performance and motivation. Yusuf's (2022) findings demonstrate that prophetic leadership is a meaningful and substantial predictor of Islamic work motivation.

The above-mentioned studies' findings show, on the one hand, the positive and significant effect of Islamic leadership in reinforcing Islamic organizational values, employee Islamic

performance, Islamic organizational culture and Islamic work motivation (Aini, 2020; Ariatin et al., 2023; Candra et al., 2022; Galanou and Farrag, 2015; Faliza et al., 2023; Ratnasari, 2021; Muzaki and Supriyanto, 2021; Suryani and Saleh et al., 2023; Suryani and Triyono, 2022). On the other hand, the findings of several scholars, such as Husti and Mahyarni (2019), Astuti et al. (2020) and Hamzah and Basri (2021), have shown that, while there is an expectation of a solid and empirical evidence of integration between these constructs in several contexts, such as SMEs and banking, and in different countries, Islamic leadership has a negative and insignificant effect of on developing Islamic organizational values, employee Islamic performance, Islamic organizational culture and Islamic work motivation. By highlighting the leaders' capacity to uplift and encourage their followers to attain more outstanding performance and moral standards, the transformational leadership theory supports these relationships, which highlights and lends credence to these interactions. Islamic leadership aligns with leadership principles because it frequently emphasizes values, ethics and a sense of purpose. Islamic leaders can encourage employees to embrace and preserve these principles inside the organization (Bass, 1985). Furthermore, the social learning theory supports this view by affirming that employees pick up new skills through seeing their leaders as role models and by imitating their actions. Employees are likely to understand and absorb Islamic principles if Islamic leaders continuously model and uphold them, which, in turn, enhance Islamic organizational ideals (Ali, 1988). Therefore, based on the previous contradictory findings (positive and negative), we formulated the following hypotheses to confirm in the context of Egypt as a Muslim Arab country, the position in the banking sector:

- H1a. Islamic leadership significantly improves Islamic organizational values among Egyptian banks' employees.
- *H1b.* Islamic leadership significantly improves employee Islamic performance among Egyptian banks' employees.
- H1c. Islamic leadership significantly improves Islamic organizational culture among Egyptian banks' employees.
- H1d. Islamic leadership significantly improves Islamic work motivation among Egyptian banks' employees.

## 3.2 Islamic organizational values and employee Islamic performance

In drawing attention to the positive relationship between Islamic organizational values and the improvement of employee Islamic performance, the existing literature emphasizes the significance of a congruent Islamic organizational culture and leadership style (Ahmed et al., 2023; Al-Sharafi et al., 2017). Several studies' findings have demonstrated that Islamic leadership is an enabler of ethical behaviors, justice, compassion and the observance of Islamic principles. The Islamic leadership practices inspire employees to take account of Islamic organizational values in performing their duties (Muhammad and Aziz, 2018). The employees' Islamic performance comprises the arrangement of an employee's commitment, work behaviors and ethics with Islam's ideologies and values of Islam that together produce a holistic incorporation of faith and work. Therefore, when Islamic organizational values and Islamic leadership are in harmony, they nurture an environment where employees are more likely to show higher levels of Islamic performance in their roles within organizations working to an Islamic agenda (Hassan and Mahfouz, 2018). Ahmed et al.'s (2023) findings show that there is a substantial and significant connection between Islamic organizational values and employee Islamic performance. In a similar dimension, Islamic work ethics

positively enhance organizational performance. Badar et al.'s (2023) findings demonstrate that the climate of employee relations has a mediating effect in developing a relationship between Islamic work ethics and employee Islamic performance. Similarly, Nauman et al.'s (2023) findings indicate that, through Islamic work ethics, there is a relationship between emotional labor and employee Islamic performance. Islamic organizational values play a robust role in developing organizational identification and performance (Akhmadi et al., 2023). The philosophy of Islamic work ethics holds that, by working hard, being dedicated, creative and cooperating with their colleagues, workers can strengthen their social business duties and develop confidence in their work environment (Ali, 2010; Yousef, 2001). Islamic work ethics is based on life fulfillment, and it may be used to evaluate an employee's performance in both good and bad ways. Employees who follow Islam tend to be more devoted to their organizations (Yousef, 2001). In the empirical assessment of Faliza et al. (2024), leadership effectiveness and Islamic work motivation have a positive effect on organizational performance. Likewise, in private Islamic elementary schools, organizational culture, compensation and spiritual leadership are substantial predictors of teacher performance (Syahid et al., 2024).

Consequently, in several sectors and contexts, Islamic organizational values greatly enhance employee Islamic performance (Akhmadi *et al.*, 2023; Hassan and Mahfouz, 2018; Muhammad and Aziz, 2018; Nauman *et al.*, 2023). However, in the context of Egyptian banks, there is a need for further confirmation. Therefore, we formulated the following hypothesis:

H2. Islamic organizational values positively and significantly improve Islamic bank employees' Islamic performance.

## 3.3 Islamic organizational culture and employee Islamic performance

There is a positive and significant relationship between Islamic organizational culture, characterized by adherence to Islamic values, ethical standards, principles and employee Islamic performance in the workplace. This is demonstrated by ethical behaviors, dedication to Islamic principles and application of Islamic work ethics (Al-Sharafi et al., 2017; Hassan and Mahfouz, 2018). An effective Islamic organizational culture provides an atmosphere where employees are more likely to act morally, show their devotion to Islamic beliefs and follow Islamic work ethics in their everyday activities and interactions. Employees in such a culture are encouraged to apply their Islamic principles and beliefs to their jobs. The production of employee Islamic performance represents a peaceful fusion of work and religion (Al-Sharafi et al., 2017; Nauman et al., 2023). In the context of Islamic leadership, employees are more likely to absorb and internalize Islamic principles when Islamic leaders consistently exemplify and reinforce them and, thereby, strengthen Islamic organizational ideals (Ali, 1988). This synergy of leadership and learning theories is evidence that Islamic organizational culture significantly improves employee Islamic performance. The strong connection between Islamic organizational culture and employee Islamic performance highlights organizational culture's crucial influence on employee behaviors and output in line with Islamic values. This connection shows that employees are more likely to adopt Islamic behaviors and practices when an organization emphasizes Islamic values and fosters a culture that reflects them. Together, these help to create a work environment that upholds Islamic ethics and principles. Sulistyorini (2024) underscores the urgency of fostering an Islamic organizational culture within educational institutions and demonstrates a positive alignment of organizational culture with Islamic principles in academic settings. According to Rachmad et al. (2023), educational background, organizational culture and

compensation positively affect employee performance. In the context of Bina Sarana Informatika University, organizational culture positively enhances employee performance (Islami and Yanti, 2024). In the same direction, Rahmah *et al.* (2024) demonstrate a positive association between work engagement, organizational culture and employee performance in Banjarmasin Islamic Hospital.

Based on these positive relationships between Islamic organizational culture and employee Islamic performance, we expected that they would apply similarly in Egyptian banks. Therefore, we formulated the following hypothesis:

H3. Islamic organizational culture significantly improves Egyptian bank employees' Islamic performance.

## 3.4 Islamic work motivation and employee Islamic performance

There is a dynamic connection between Islamic work motivation and employee Islamic performance. It considers that the organizational structure is firmly based on Islamic principles, and that the motivational constructs are grounded in Islamic values, which impact on employee behaviors and performance. Ali's (2018) and Khan and Ali's (2020) findings show that Islamic work motivation encourages workers to provide their best efforts in an Islamic workplace. Similarly, in the context of Islamic principles, the employees' performance encompasses ethical conduct, unwavering dedication to Islamic work ethics and a relentless commitment to safeguarding Islamic values. This represents the palpable manifestation of the above-mentioned, motivation. El-Saved et al.'s (2018) comprehensive findings underscore the work values' pivotal mediating role within this intricate relationship. Their findings provide illuminating insights to the complicated mechanisms that interconnect motivation, transactions and overall performance. Moreover, these findings confirm that there is a substantial connection between higher levels of Islamic work motivation and the development of enhanced employee Islamic performance. An organization, which has this kind of culture, actively supports the promotion and spread of Islamic beliefs and values. In various cultural and organizational contexts, there is clear evidence of Islamic values, Islamic work motivation, job satisfaction and employee Islamic performance. Afif et al. (2022) findings demonstrate, from an Islamic standpoint, the constructs prompting Islamic work motivation in Sharia banks. According to AL Smadi et al. (2023), by highlighting the status of Islamic values in Arab workplaces, Islamic work motivation mediates the relationship between job satisfaction and employee Islamic performance by exploring the Islamic work ethic and its connection to intrinsic motivation, job satisfaction, organizational commitment and job performance. Hayati and Caniago's (2012) findings provide insights to the interrelationship between these factors in a work setting. Islamic work ethics, drawn from Islamic teachings and principles, emphasize honesty, accountability and diligence. Consequently, leaders, who promote these ethics, can influence employees to adopt and incorporate Islamic work ethics into their Islamic work motivation and, in doing so, improve employee Islamic performance (Ali, 2010; Yousef, 2001). The findings of scholars, such as Hayati and Caniago (2012) and Murniyati and Dessyarti (2023), highlight, particularly within an Islamic context, the positive effect of Islamic work motivation on job performance. In the study of Faliza et al. (2024), organizational performance is positively predicted through leadership effectiveness and Islamic work motivation.

Consequently, Islamic work motivation has a robust standing in developing employee Islamic performance. We developed the following hypothesis to confirm these associations in Islamic bank settings:

*H4.* Islamic work motivation significantly improves Egyptian bank employees' Islamic performance.

3.5 Islamic organizational values, Islamic organizational culture and Islamic work motivation as mediators

In the sphere of Islamic organizations, it is hypothesized that there is a positive and substantial correlation between Islamic leadership and employee Islamic performance. This relationship is perceived to be intricately influenced and mediated by robust Islamic organizational values that establish an Islamic organizational culture, deeply rooted in Islamic principles and cultivate high levels of Islamic work motivation among employees. Based on the concepts of leadership, there is a positive and significant association between Islamic leadership and job performance (Bass and Riggio, 2006; Rashid and Sulaiman, 2018). More insight are provided by studies that have investigated the effects of Islamic organizational culture on employee Islamic performance (Al-Hakim et al., 2021) and those studies that have investigated the mediating roles and links between Islamic work ethics and Islamic work motivation and leadership styles and job performance provide more insights (Khalid and Mahajar, 2020). In addition, the findings of studies, which have investigated how leadership styles affect work performance in Islamic banks, offer a valuable perspective (Bashir and Khattak, 2017). These studies' findings in several contexts provide the consistent effects of Islamic leadership on employee Islamic performance through Islamic organizational values, Islamic organizational culture and Islamic work motivation. Therefore, to confirm these, we formulated the following hypotheses:

- *H5*. Islamic organizational values mediate the relationship between Islamic leadership and Egyptian bank employees' Islamic performance.
- *H6.* Islamic organizational culture mediates the relationship between Islamic leadership and Egyptian bank employees' Islamic performance.
- H7. Islamic work motivation mediates the relationship between Islamic leadership and Egyptian bank employees' Islamic performance.

## 4. Methods

## 4.1 Research design, population, respondents and sample size

The study is conducted among Egypt's Islamic banks due to their proper function and because they render their services from an Islamic point of view (Farrag *et al.*, 2022; Radwan *et al.*, 2023). The researchers applied the quantitative methods, using the deductive approach in the study. This method is the most frequent and common in social science, management and business research due to its involvement in collecting standardized numerical data with objectivity and accuracy (Bryman, 2016). This method also provides the excellent generalizability of results to larger groups, is made possible by the large sample sizes (Trochim and Donnelly, 2008) and is ideal for thorough statistical research because it makes it easier to identify trends and connections (Fowler, 2013; Bowling, 2014). Another reason for the selection of the quantitative approach is the domain researchers like Afif *et al.* (2022), Daulay and Kurnia (2021), Farrag *et al.* (2022), Radwan *et al.* (2023), Saban *et al.* (2020) used the quantitative to investigate Islamic leadership, Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance in the diverse organizations.

The targeted population of the study is employees of Egypt's Islamic banks. The reason behind selecting employees of Islamic banks is that Egypt is an Islamic country where the Islamic system is entirely functional (Abou-Youssef *et al.*, 2015; Fayed, 2013). Moreover, the employees of Egyptian Islamic banks confront massive challenges to survival and performance (Radwan *et al.*, 2023) due to the fulfillment of job targets. In this way, we succeed in collecting 312 valid samples. To ensure this study's required sample size, we applied G\*Power software to find the minimum sample requirements (Kang, 2021). This software is strongly recommended for sample size due to its free usage and effective tool. In this way, the outcome of GPower ensured the minimum sample of 107 was adequate to create a power of 0.95. Therefore, the sample of 312 is satisfactory for the analysis of this study.

## 4.2 Reliability and validity of the questionnaire

One cannot overestimate the significance of determining a questionnaire's reliability and validity. These are the foundations of sound research and guarantee that the collected data is reliable, consistent and trustworthy (Babbie, 2016). A study's validity increases when a questionnaire is dependable and produces answers that are consistent throughout the period and under similar circumstances (Fowler, 2013). Accordingly, we conducted a pilot study by gathering 20 samples to ensure the questionnaire's reliability and validity. We confirmed the questionnaire's reliability by using Cronbach's alpha to ensure internal consistency among the scale items. Consequently, as greater than 0.70, the overall reliability is 0.789 and individual factor reliability is, also, within the range of acceptable scores (Hair *et al.*, 2019).

Moreover, in terms of the questionnaire's validity, we sent the questionnaire to two university professors. One professor is an expert in survey research and very knowledgeable about the new trends of research and, more particularly, SmartPLS. The other professor is a field expert in the trends of HRM and banking respondents. Consequently, as suggested by them, we made some minor medications to the questionnaire and then distributed it to collect the data more widely.

## 4.3 Common method bias

To address the critical issue of common method bias (CMB), we ensured the variance inflation factor (VIF), a crucial indicator for assessing the presence of CMB suggested by renowned scholars like Kock (2015) and Kock and Lynn (2012) as this technique involves the regression of each construct against a common variable. This technique is valuable in addressing any bias stemming from using a single-source data collection method through a survey or questionnaire. The value VIF should be below 3.3 (indicating no CMB in the data) (Kock and Lynn, 2012; Kock, 2015). As presented in Table 1, the values of VIF for all the constructs are within the recommended values, which ensures the absence of CMB.

#### 4.4 Data collection methods

We used a survey questionnaire, drawing inspiration from esteemed scholars such as Farrag et al. (2022), Radwan et al. (2023) and Saban et al. (2020). We meticulously searched employees' profiles on their respective banks' websites to identify suitable respondents for our study. Subsequently, we engaged with them through various channels, including WhatsApp groups, Facebook and LinkedIn. Before distributing the survey, we sought explicit permission from the potential participants, emphasizing the voluntary nature of their involvement. Only after obtaining their consent did we provide them with the survey link. Furthermore, we prioritized ethical considerations by assuring respondents of the confidentiality and privacy of their responses, ensuring that the information collected would

be exclusively used for this research. As a result of these efforts, we gathered 312 valid responses, forming the basis for our comprehensive final analysis.

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#### 4.5 Measures

We adopted all the scale items from the existing studies and used a five-point Likert scale ranging from strongly agree to strongly disagree. As adopted by Ratnasari (2021), we used six items to measure Islamic leadership. Likewise, we assessed Islamic organizational values by borrowing seven items from Yousef's (2000) study. We measured Islamic organizational culture on six items, Islamic work motivation on three items and employee Islamic performance on five items. The items for Islamic organizational culture, Islamic work motivation and employee Islamic performance were adopted from the study of Hakim (2012) (see details of all items in Appendix).

# 4.6 Analysis packages and statistical tests

We applied several statistical tests to conclude the study. Initially, we applied descriptive statistics to observe the demographic trends of the respondents through a statistical package of social sciences (SPSS) version 26.0 for Windows. After that, we applied SmartPLS4 to conduct a measurement model (model fitness, AVE, CR, alpha and VIF). Finally, we assessed the structural model through path analysis.

# 5. Analysis

#### 5.1 Respondent's profile

In total, this study had 312 respondents, of whom 74.32% or n=233 were men and 25.32% or n=79 are women. With regard to the respondents' ages, 62.18% (n=194) were aged between 21 and 40 years; 28.21% (n=88) were aged between 41 and above and 9.61% (n=30) were below 20 years of age. Likewise, the highest degree data shows that most respondents held a bachelor's degree (n=192 or 61.54%), 25.64% (n=80) held a Masters' degree and 12.82% (n=40) held other educational qualifications. Finally, the work experience construct shows that 42.95% (n=134) had six to ten years' experience; 39.10% (n=122) had one to five years' experience; and only 17.95% (n=56) had 11 or more years of experience (see Table 2).

#### 5.2 Measurement model assessment

Source: Calculated by the authors

The evaluation of the validity of the structural model can involve an assessment of the constructed model's fitness. This can be achieved by examining whether the model fits well or badly. According to Anggriani *et al.* (2020), a structural equation model (SEM) is well fitting when the standardized root mean square residual (SRMR) value is below 0.08 and the normed fit index (NFI) value is above 0.90. In this study, the SRMR value is slightly higher

Construct	VIF
Islamic leadership	2.182
Islamic organizational value	1.882
Islamic organizational culture	2.092
Islamic working motivation	1.983
Employee Islamic performance	2.173

**Table 1.** Full collinearity testing

T	т	Τ.	Л	Λ
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Construct	Characteristics	Samples	%
Gender	Male	233	74.32
	Female	79	25.32
	Total	312	100.00
Age	1–20 years	30	9.61
	21–40 years	194	62.18
	41 years and above	88	28.21
	Total	312	100.00
Highest degree	Bachelor	192	61.54
	Masters	80	25.64
	Others	40	12.82
	Total	312	100.00
Working experience	1–5 years	122	39.10
	6–10 years	134	42.95
	11 and above	56	17.95
	Total	312	100.00

**Table 2.** Respondents' profile

Source: Authors' questionnaire data

at 0.082, and the NFI value is 0.83, which is close to the desired threshold of 0.90 (Pangesti *et al.*, 2016). Consequently, the model is a good fit. We applied the PLS algorithm to indicate the loading of the items. As presented in Table 3 and Figure 2, the findings show that all item loadings score higher than 0.707, and all average value extracted (AVE) values are greater than 0.50. This indicates the convergent validity at the construct level. In addition, because composite reliability (CR) values are higher than 0.70, this signifies acceptable reliability. Moreover, it is noteworthy that, because the factors' internal consistency ( $\alpha$ ) is greater than 0.70, this is fair (Hair *et al.*, 2019). Furthermore, Table 4 underlines that all the HTMT values are below 0.85. Consequently, the adequate discriminant validity of the measurement model is obtained.

#### 5.3 Structural model assessment

We used structural model analysis by using PLS-SEM with a bootstrapping approach for path coefficients and testing the hypotheses. In terms of PLS-SEM estimations, the findings show that Islamic leadership has a positive and significant effect on Islamic organizational values, employee Islamic performance, Islamic organizational culture and Islamic work motivation ( $H1a = \beta = 0.613$ ; p < 0.01;  $H1b = \beta = 0.300$ ; p < 0.01;  $H1c = \beta = 0.838$ ; p < 0.01;  $H1d = \beta = 0.756$ ; p < 0.01). Therefore, H1a, H1b, H1c and H1d are accepted. On the contrary, the findings show that Islamic organizational values and Islamic organizational culture have a negative and insignificant effect on employee Islamic performance ( $H2 = \beta = 0.090$ ; p > 0.01;  $H3 = \beta = 0.206$ ; p > 0.01). Therefore, H2 and H3 are rejected. Likewise, in terms of the path coefficient for H4, the findings show that of Islamic work motivation has a positive and significant effect on employee Islamic performance ( $H4 = \beta = 0.380$ ; p < 0.01). Consequently, H4 is accepted (see Table 5 and Figure 3).

Turning to the indirect paths, we used the bootstrapping method and SmartPLS software to evaluate the indirect effects. This is a widely recognized approach, highly recommended by leading scholars such as Hair *et al.* (2021) and Preacher and Hayes (2004, 2008), for analyzing mediation effects. Bootstrapping is a nonparametric resampling procedure known for its robustness and statistical rigor (Shrout and Bolger, 2002; Zhao *et al.*, 2010). This

Construct	Item	Outer loading	Alpha	AVE	CR	Islamio leadership's
Employee Islamic performance	EIP1	0.849	0.946	0.823	0.959	influence
[EIP]	EIP2	0.946				mmuchee
	EIP3	0.896				
	EIP4	0.927				
	EIP5	0.915				
Islamic leadership [IL]	IL1	0.866	0.935	0.795	0.951	
1 . 3	IL2	0.931				
	IL3	0.908				
	IL4	0.892				
	IL6	0.860				
Islamic organizational culture	IOC1	0.841	0.938	0.768	0.952	
[IOC]	IOC2	0.945				
3	IOC3	0.919				
	IOC4	0.918				
	IOC5	0.903				
	IOC6	0.711				
Islamic organizational values	IOVs1	0.878	0.942	0.740	0.952	
[IOVs]	IOVs2	0.891				
	IOVs3	0.878				
	IOVs4	0.829				
	IOVs5	0.864				
	IOVs6	0.852				
	IOVs7	0.828				
Islamic working motivation	IWM1	0.901	0.905	0.840	0.94	
[IWM]	IWM2	0.911				
	IWM3	0.938				T 11 0
						Table 3
<b>Note:</b> Deleted item $=$ IL5						Assessment of
Source: Authors' computation usi	ng SmartPLS					measurement mode

method, which involves repeatedly resampling the data set to estimate the indirect effects, provided us with a more reliable and robust approach for assessing mediation in our analysis. This study's findings show that Islamic organizational values and Islamic organizational culture have negative effects on Islamic leadership and employee Islamic performance ( $H5 = \beta = 0.055$ ; p > 0.01;  $H6 = \beta = 0.173$ ; p > 0.01). Therefore, H5 and H6 are rejected. Finally, the Islamic work motivation factor plays a positive and significant role in developing the relationship between Islamic leadership and employee Islamic performance ( $H7 = \beta = 0.287$ ; p < 0.01). Therefore, H7 is accepted (see Table 6).

#### 6. Discussion

In this study, we aimed to explore among Egypt's Islamic bank employees the effect of Islamic leadership on employee Islamic performance directly and indirectly through Islamic organizational values, Islamic organizational culture and Islamic work motivation. We used a quantitative methodology and this study's findings are based on a 312 sample size. This study's findings confirm that Islamic leadership has a positive and significant effect on Islamic organizational values, employee Islamic performance, Islamic organizational culture and Islamic work motivation. These findings are consistent with those of previous studies by scholars such as Aini (2020), Faliza *et al.* (2023), Galanou and Farrag (2015), Husti and Mahyarni (2019), Hamzah and Basri (2021), Muzaki and Supriyanto (2021), Saleh *et al.*'s (2023) and Survani and Trivono's (2022), and the findings show that Islamic

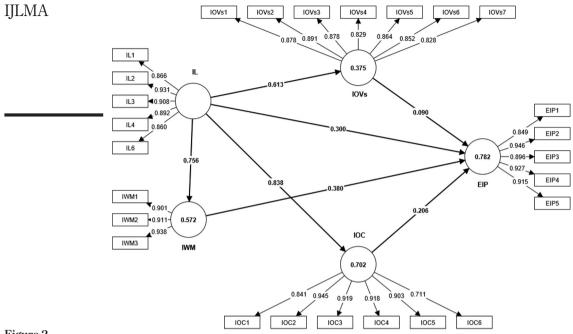


Figure 2.
Measurement model

Sources: Authors' computation using SmartPLS

Construct	EIP	IL	IOC	IOVs	IWM
EIP	_		,		
IL	0.889	_			
IOC	0.846	0.886	_		
IOVs	0.693	0.650	0.685	=-	
IWM	0.867	0.821	0.822	0.717	_

**Table 4.** Discriminant validity (HTMT ratio)

**Notes:** EIP = employee Islamic performance; IL = Islamic leadership; IOC = Islamic organizational culture; IOVs = Islamic organizational values; IWM = Islamic working motivation **Source:** Authors' computation using SmartPLS

leadership has a positive effect on Islamic organizational values, employee Islamic performance, Islamic organizational culture and Islamic work motivation. These beneficial relationships show that the employer must act fairly and give all employees the same rights. In this respect, their managers are knowledgeable and always use their judgment to guide the employees. Their employer is dependable and sticks with every choice makes. Their manager is competent, emphasizes honesty to all staff and is professional. Additionally, their employer may serve as a role model for all workers.

Furthermore, they believe a thriving organization prioritizes employee welfare and views loyal customers as invaluable assets. Consequently, they assert that the safeguarding of the shareholders' interests becomes an inherent managerial responsibility. They reject ethnic,

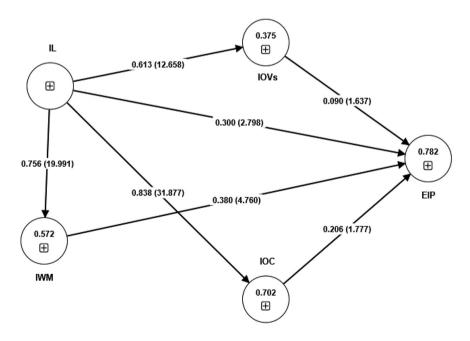
racial and sexual discrimination and place a high premium on respecting the integrity of all. They recognize that a secure working environment correlates with heightened productivity, and they assert that, by encompassing both individuals and the environment, the linchpin to organizational prosperity is the safeguarding of all stakeholders' rights. The organization's leader consistently cultivates an environment of attentiveness and well-being. By promoting mutual assistance and seamless cooperation, they foster solid interpersonal connections among all employees. Their commitment to absolute honesty is unwavering, and they exhibit a judicious use of time by optimizing it to its fullest potential. The banking sector's senior executives pursue a dual quest for fulfillment, both in the temporal and spiritual domains. They exhibit an emotional commitment to operational excellence and strive to be efficient and effective while extending benefits to others. Their professional endeavors are

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H.no.	Effects	$\mathrm{Std}\left( eta ight)$	Mean	SD	t-value	<i>p</i> -value	PCI LL	PCI UL	Effect size $(f^2)$	Decision
	$\begin{array}{c} IL \rightarrow IOVs \\ IL \rightarrow EIP \end{array}$	0.613 0.300	0.614 0.308	0.048 0.107	12.658 2.798	0.000 0.005	0.514 0.101	0.703 0.526	1.8670 0.1009	[√] [√]
	$\begin{array}{c} IL \rightarrow IOC \\ IL \rightarrow IWM \end{array}$	0.838 0.756	0.838 0.756	0.026	31.877 19.991	0.000	0.784 0.677	0.887 0.827	0.3670 0.9633	[] [] [x]
H2	$IOVs \rightarrow EIP$	0.090	0.092	0.055	1.637	0.102	-0.014	0.202	0.0183	
Н3 Н4	$\begin{array}{c} IOC \rightarrow EIP \\ IWM \rightarrow EIP \end{array}$	0.206 0.380	0.203 0.374	0.116 0.08	1.777 4.76	0.076 0.000	-0.037 0.212	0.42 0.524	0.0505 0.2202	[x] [√]

**Table 5.** Path estimations [direct paths]

**Notes:** Effect size = F2 (none = 00; small = 0.02; medium = 0.15; large = 0.35);  $[\sqrt{\ }]$  = accepted; [x] = rejected **Source:** Authors' computation using SmartPLS



Sources: Authors' computation using SmartPLS

**Figure 3.** Path coefficients

imbued with a profound sense of purpose, and they view their work as a dedicated service to a higher calling.

Moreover, this study's findings show that, contrary to those of Al-Sharafi *et al.* (2017), Akhmadi *et al.* (2023), Badar *et al.* (2023), Hassan and Mahfouz (2018) and Nauman *et al.* (2023), Islamic organizational values and Islamic organizational culture have an insignificant effect on employee Islamic performance. These findings indicate that organizations, which do not prioritize employee welfare, exacerbated by an unsafe working environment, result in a lack of trust among employees and, consequently, are unsuccessful. Ultimately, this lack of confidence leads to poorer productivity. Furthermore, this study's findings reveal that, within the Egyptian banking sector, culture plays no positive role in fostering employee Islamic performance.

Further, this study's findings confirm that Islamic work motivation plays a positive role in developing employee Islamic performance. These findings are consistent with those of previous studies by Afif et al. (2022), AL Smadi et al. (2023), Hayati and Caniago (2012) and Murniyati and Dessyarti (2023). These findings demonstrate that, by instilling a sense of purpose and ethical behaviors rooted in Islamic values such as sincerity, honesty and accountability, Islamic work motivation plays a pivotal role in improving performance. Islamic work motivation fosters intrinsic motivation and emphasizes that work is a form of worship that drives individuals to excel in their endeavors. Also, Islamic principles encourage teamwork, resilience and continuous improvement, which all contribute to improved performance. In addition, as advocated in Islam, the balance between work and personal life helps to prevent burnout and supports long-term high performance. Moreover, the emphasis on charity and assisting others leads to a more supportive work environment and, ultimately, enhances overall performance in organizations and among individuals who embrace these principles.

Turning to the mediating effects, this study's findings show that Islamic organizational values and Islamic organizational culture play no mediating role between Islamic leadership and employee Islamic performance. These findings are contradictory to those of Al-Hakim *et al.* (2021), Bass and Riggio (2006), Khalid and Mahajar (2020) and Rashid and Sulaiman (2018) that there is a consistent relationship between Islamic leadership and employee Islamic performance. Finally, the Islamic work motivation factor plays a significant mediating role in developing the connection between Islamic leadership and employee Islamic performance.

## 7. Contribution of the study

## 7.1 Managerial contribution

This study's findings offer significant potential in an Islamic context to enrich Islamic leadership and to nurture a values-driven organizational culture, and, thereby, catalyze ethical conduct and social responsibility. By fostering transparent communication and being

H.no.	Relationships	Std. (β)	Mean	SD	<i>t</i> –value	<i>p</i> –value	PCI LL	PCI UL	Effect size $(f^2)$	Decision
Н6	$\begin{array}{c} IL \rightarrow IOVs \rightarrow EIP \\ IL \rightarrow IOC \rightarrow EIP \\ IL \rightarrow IWM \rightarrow EIP \end{array}$	0.173	0.169	0.097	1.787	0.074	-0.008 -0.031 0.165	0.35	-0.1164 -0.1463 0.8136	[x] [x] []

**Table 6.** Path estimations [indirect paths]

**Notes:** Effect size = F2 (none = 00; small = 0.02; medium = 0.15; large = 0.35);  $[\sqrt{\ }]$  = accepted; [x] = rejected **Source:** Authors' computation using SmartPLS

crucial pillars of consensus-building, these findings stand to fortify employee engagement help to establish a framework that, in policies and practices, upholds fairness and equity and, simultaneously, champions ethical decision-making and recognizes excellence.

In pursuing this research, the focus of employee Islamic leadership extends beyond mere performance metrics. It encompasses the holistic development of individuals and society, and highlights the intrinsic significance among employees of spiritual, ethical and professional growth. This paradigm shift underscores this study's potential to provide invaluable guidelines to top management and HR departments that aim to increase Islamic leadership's and Islamic work motivation's influence in improving employee performance within the banking sector.

Moreover, the study's insights encourage policymakers to recognize the underemphasized role of Islamic organizational values and culture in shaping employee Islamic performance. Such recognition should lead to significant improvements in these areas that, ultimately, benefit the whole sector.

More specifically, this study's findings make a valuable contribution to the HRM departments of banks by guiding them to create an environment that aligns with Islamic values and teachings and, in doing so, fosters employees' performance with. Consequently, this elevates not only individual performance but, also, advances the case for organizations to embrace the overarching goals of Islamic leadership.

#### 7.2 Theoretical contribution

This study's findings make a substantial theoretical contribution by introducing a sophisticated and novel theoretical model that, uniquely, integrates the predictive influence of Islamic leadership on various interconnected factors such as Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance. In addition, this study has explored the relationship between Islamic leadership and employee Islamic performance through considering the complex mediating effects of Islamic organizational values, Islamic organizational culture and Islamic work motivation. This intricate interplay of constructs illuminates our understanding of Islamic leadership and its impact on employee performance. Also, it provides future scholars with exciting opportunities to further develop theories and conceptual frameworks in this domain.

This study stands apart because its empirical basis offers insights from a dynamic Islamic developing context and provides a nuanced and real-world perspective on leadership and performance within Egypt's Islamic banking sector. Therefore, its findings are a valuable addition to the existing literature because they advance not only theoretical understanding but, also, enrich the scholarly discourse with practical evidence. Ultimately, in the Islamic context, this study's findings make a significant contribution through providing a much better understanding of leadership and performance.

## 8. Limitations and recommendations for future research

This study's limitations are that it is concerned only with Egypt's bank employees who were the respondents to the questionnaire. Also, we used quantitative methodology to collect cross-sectional data from a single source. Also, we restricted this to Islamic leadership, Islamic organizational values, Islamic organizational culture, Islamic work motivation and employee Islamic performance constructs and did not use a particular theory to underpin its conceptual model. Finally, this study's findings are based on a 312 sample size.

We recommend that more longitudinal studies are conducted to validate this model, and that, as constructs and predictors, these studies include other organizational factors such as commitment, job satisfaction, turnover intentions and talent management factors. We

recommend, also, that similar studies be conducted in other sectors, such as services, SMEs, health and education, to observe the effects of Islamic leadership on employee Islamic performance. Finally, we recommend that future studies use larger sample sizes.

#### 9. Conclusion

This study's comprehensive findings underscore the potential to enhance Egyptian bank employees' Islamic performance through the implementation of Islamic leadership principles and the cultivation of Islamic work motivation. Most notably, this study's findings reveal that neither Islamic organizational values nor culture contribute either directly or indirectly to improved performance. Furthermore, this study's significant discovery is the pivotal role played by Islamic work motivation as a robust mediator in strengthening the connection between Islamic leadership and employee Islamic performance. This finding underscores the critical importance of motivating employees to improve their performance by adhering to the principles of Islamic leadership. These findings shed light on the exceptional level of customer service provided Egyptian bank and highlight employees their proficiency in explaining complex banking products to clients and their unwavering commitment to delivering an exemplary service through effectively addressing the customers' concerns. In essence, this study findings highlight not only the key drivers of employee Islamic performance but, also, emphasize the crucial role that these principles play in enhancing the Egyptian banks' overall customer experience.

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#### Further reading

Ringle, C.M., Wende, S. and Becker, J.M. (2022), "SmartPLS 4", SmartPLS GmbH, Oststeinbek, available at: www.smartpls.com

# IILMA Appendix

- (1) Islamic leadership: Ratnasari (2021):
  - My employer is able to be fair/give equal rights to all employees.
  - My boss is wise/always uses his mind (religious knowledge and experience) that always guides employees.
  - My boss is consistent/holds fast in every decision he has made.
  - My boss is professional/has the expertise needed for work.
  - · My boss always emphasizes honesty to all employees.
  - My boss is able to set an example/example for all employees.
- (2) Islamic organizational value: Yousef (2000):
  - A successful organization is the one that gives emphasis to welfare of employees.
  - Loyal customers are asset for business.
  - Protection of shareholder's interest is the obligation of management.
  - Ethnic, racial and sexual discrimination are undesirable.
  - Respect of every one's integrity is the source of togetherness.
  - Safe working environment results in increased productivity.
  - Protection of rights of all stakeholders surrounding the organization, including human beings and environment, is the key to organizational success.
- (3) Islamic organizational culture: Hakim (2012):
  - Smiling: To create the atmosphere of attention.
  - Greetings: To create welfare atmosphere.
  - Friendship: Good relationship among the employees both managers and staffs.
  - Helping among the others, having good cooperation.
  - Never telling a lie.
  - Discipline: Using the time as well as possible.
- (4) Islamic working motivation: Hakim (2012):
  - Looking for happiness both in the world and in the hereafter.
  - Enthusiasm of being efficient and effective and give the advantageous to others.
  - Looking for a job intended as the servant of Allah.
- (5) Employee Islamic performance: Hakim (2012):
  - Achievement of the job.
  - Speed and exact in performing all of the job.
  - The intention of becoming servant or to serve other people.
  - Job quality.
  - Alms giving.

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