

## **Ihsan Achievement-Oriented Leadership (IAOL), *Ta'awun*, and *Tasamuh* as Islamic Values in Enhancing Islamic Banking Employee Performance**

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### **Abstract**

Employee performance is a key determinant of how effectively Islamic banking institutions operate, especially in sustaining service excellence, ethical accountability, and overall organizational outcomes. This study examines how Ihsan Achievement-Oriented Leadership (IAOL) influences employee performance by assessing *ta'awun* as a mediator and *tasamuh* as a moderator within Islamic banks in East Java. The research used a quantitative explanatory design and applied Partial Least Squares Structural Equation Modeling. Data were collected through an online questionnaire from 125 Islamic banking employees selected through purposive sampling, with snowball recruitment supporting respondent distribution. The findings indicate that IAOL positively and significantly affects employee performance ( $\beta = 0.533$ ,  $t = 5.934$ ,  $p < 0.001$ ) and also significantly enhances *ta'awun* ( $\beta = 0.706$ ,  $t = 16.564$ ,  $p < 0.001$ ). *Ta'awun*, in turn, positively and significantly affects employee performance ( $\beta = 0.302$ ,  $t = 2.363$ ,  $p = 0.019$ ) and partially mediates the IAOL-performance relationship through a significant indirect effect ( $\beta = 0.213$ ,  $t = 2.285$ ,  $p = 0.023$ ). Moreover, *tasamuh* significantly amplifies the positive association between IAOL and employee performance. Overall, the results highlight the value of combining *ihsan*-oriented leadership with cooperative and tolerant workplace practices to improve employee performance in Islamic banking institutions.

**Keywords:** *Ihsan Achievement-Oriented Leadership, Ta'awun, Tasamuh, Employee Performance, Islamic Banking.*

### **How to Cite this Article**

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## INTRODUCTION

Islam offers a holistic ethical guide for economic and organizational life, stressing that strong organizational performance must go hand in hand with moral accountability. The Qur'an highlights *al-'adl* (justice), *ihsan* (excellence), *ta'awun* (cooperation in righteousness), and respect for human diversity as core principles shaping social relations (Qur'an 5:2; 16:90; 49:13). In workplaces, these values call on leaders to direct employees toward organizational aims while maintaining fairness, responsibility, mutual support, and respect.<sup>1</sup> This view is especially important in Islamic banking, where achieving organizational results should align with both business goals and Sharia requirements.<sup>2</sup>

These principles have grown in importance as rivalry in the Islamic banking sector intensifies. Employees are a key strategic asset because they operationalize organizational policies and Sharia guidelines through customer interactions, routine procedures, and day-to-day workplace conduct. As a result, leadership and workplace interpersonal dynamics can shape whether Islamic values remain merely stated institutional ideals or are truly reflected in employees' behavior. In Indonesian Islamic banks, recent empirical findings indicate that Islamic leadership affects employee outcomes through several organizational pathways.<sup>3</sup>

A recent study examined 400 employees in Indonesian Islamic banks and reported that Islamic leadership significantly affected Sharia engagement and job satisfaction, but not employee performance directly.<sup>4</sup> These results suggest that leadership may not directly enhance performance, but instead works through mediating behavioral and organizational processes. More recent studies similarly show that commitment, knowledge sharing, and Sharia engagement may account for the link between Islamic leadership and employee performance.<sup>5</sup> These findings support further investigation of other Islamic organizational mechanisms through which leadership may shape employee outcomes.

In this setting, Ihsan Achievement-Oriented Leadership (IAOL) offers a more focused conceptual lens than the wider notion of Islamic leadership. Achievement-oriented leadership emphasises pursuing challenging targets, maintaining rigorous performance expectations, trusting employees' abilities, and fostering ongoing improvement.<sup>6</sup> However, traditional achievement-oriented leadership tends to prioritize

<sup>1</sup> Nurul Wahida Aprilya et al., "Exploration of the Relationship between Organization and Individual and Its Influence on Employee Retention in Islamic Perspective," *Al-Jadwa: Jurnal Studi Islam* 4, no. 2 (2025): 165–81, <https://doi.org/10.38073/aljadwa.v4i2.1873>.

<sup>2</sup> Ahmad Sodik et al., "Analysis of the Effect of Islamic Leadership and Job Satisfaction on Sharia Engagement and Employee Performance of Islamic Banks in Indonesia," *Cogent Business & Management* 11, no. 1 (2024): 2362772, <https://doi.org/10.1080/23311975.2024.2362772>.

<sup>3</sup> Sodik et al., "Analysis of the Effect of Islamic Leadership and Job Satisfaction on Sharia Engagement and Employee Performance of Islamic Banks in Indonesia."

<sup>4</sup> Sodik et al., "Analysis of the Effect of Islamic Leadership and Job Satisfaction on Sharia Engagement and Employee Performance of Islamic Banks in Indonesia."

<sup>5</sup> Ahmad Sodik et al., "The Antecedents of Employee Performance of Indonesian Sharia Bank," *Journal of Islamic Accounting and Business Research*, 2026, 1–29.

<sup>6</sup> Robert J. House, "A Path Goal Theory of Leader Effectiveness," *Administrative Science Quarterly*, 1971, 321–39.

organizational results without necessarily grounding them in a transcendental ethical base. Sodikin et al. formulated IAOL by embedding the Islamic value of *ihsan* within the achievement-oriented leadership model.<sup>7</sup>

IAOL is conceptually different from several well-established leadership approaches. Islamic leadership reflects an overarching philosophy rooted in Islamic values, while ethical leadership centers on normatively appropriate behavior and ethical role modeling.<sup>8</sup> Transformational leadership emphasizes vision, inspiration, intellectual stimulation, and follower growth.<sup>9</sup> Traditional achievement-oriented leadership prioritizes demanding goals and high-performance expectations. IAOL integrates an achievement orientation with *ihsan*, framing excellence not only as an organizational aim but also as an ethical and spiritual duty.

Incorporating *ihsan* into achievement-oriented leadership is especially relevant in Islamic banking, where it highlights excellence, sincerity, responsibility, and accountability in carrying out organizational duties. Sodikin et al. define IAOL as a leadership model that integrates high-quality performance, achievement aimed at benefits in both this world and the hereafter, and spiritual drive. Their meta-synthesis also indicates that embedding *ihsan* adds a transcendental layer to achievement-oriented leadership that conventional approaches largely lack.<sup>10</sup> As a result, IAOL provides a leadership framework aligned with Islamic banking's dual aims: ensuring organizational effectiveness while upholding Islamic ethical values.

The proposed model also integrates *ta'awun* and *tasamuh* as complementary facets of Islamic organizational ethics. *Ta'awun* denotes cooperation, reciprocal help, solidarity, and shared responsibility, aligning with the Qur'anic principle in Qur'an 5:2. In organizational contexts, *ta'awun* motivates employees to assist coworkers and contribute to common organizational goals. Empirical studies in Indonesian financial-service organizations suggest that *ta'awun* relates to employee performance, even though its place in organizational research remains comparatively underexamined.<sup>11</sup>

In this context, *tasamuh* denotes tolerance, mutual respect, and acceptance of differences. While grounded in Islamic ethics, its relevance for organizations can be framed as fostering respectful and supportive interpersonal relations. Work environments marked by respect and psychological safety may encourage employees to speak openly, welcome feedback, and interact constructively with colleagues and leaders.<sup>12</sup>

<sup>7</sup> Mohamad Sodikin et al., "Ihsan Achievement-Oriented Leadership: Conceptualization, Scale Development, and Validation," *IJUS| International Journal of Umranic Studies* 4, no. 2 (2021): 15–26.

<sup>8</sup> Michael E. Brown et al., "Ethical Leadership: A Social Learning Perspective for Construct Development and Testing," *Organizational Behavior and Human Decision Processes* 97, no. 2 (2005): 117–34.

<sup>9</sup> Bernard M. Bass and Ronald E. Riggio, *Transformational Leadership* (Psychology Press, 2006).

<sup>10</sup> Mohamad Sodikin and Olivia Fachrunnisa, "A Meta-Synthesis of Research on Achievement-Oriented Leadership Style: Ihsan Values Lens," *International Journal of Economics, Management and Accounting* 30, no. 1 (2022): 203–23.

<sup>11</sup> Muafi Muafi, "Ta' Awun Behavior, Work Stress, Worklife Balance in Islamic Perspective and Employee Performance : Investigation in Indonesia," *HOLISTICA – Journal of Business and Public Administration* 12, no. 3 (2021): 86–100, <https://doi.org/10.2478/hjbpa-2021-0024>.

<sup>12</sup> Alexander Newman et al., "Psychological Safety: A Systematic Review of the Literature," *Human Resource Management Review* 27, no. 3 (2017): 521–35.

Accordingly, this study treats *tasamuh* not merely as an additional Islamic value but as an interpersonal condition that may influence how employees respond to leadership.

The suggested mediating effect of *ta'awun* rests on its role as a behavioral manifestation of reciprocity elicited by leadership. IAOL sets demanding performance standards and situates those standards within the ethical framework of *ihsan*. However, leadership expectations alone may not necessarily lead to improved employee performance. Employees must translate leadership influence into tangible actions, such as cooperation, mutual support, knowledge sharing, and shared responsibility.<sup>13</sup> *Ta'awun* is therefore expected to clarify how IAOL is translated into employee performance.

This mediation argument also aligns with recent evidence from Islamic banking research. A finding shows that Islamic leadership can affect employee performance via intervening mechanisms, rather than only through a direct relationship.<sup>14</sup> This result underscores the need to explore the behavioral processes that connect leadership approaches to employee outcomes. *Ta'awun* offers a distinctly Islamic mechanism, as employees who encounter ethical, supportive, and achievement-focused leadership may respond by showing stronger cooperation and collective effort. Accordingly, *ta'awun* is presented as the behavioral route through which IAOL relates to employee performance.

By contrast, *tasamuh* is framed as a moderating factor because tolerance and reciprocal respect are anticipated to shape the strength of the link between leadership and performance, rather than act as the main pathway through which leadership exerts its effects. IAOL highlights demanding goals and elevated performance expectations, which can encourage employees when these demands are viewed as constructive, fair, and legitimate. However, such leadership can lose effectiveness when employees face interpersonal intolerance, disrespect, or undue relational strain. *Tasamuh* may thus foster a relational climate in which employees interpret challenges to leadership expectations more positively.

This reasoning aligns with organizational scholarship on psychological safety. Newman, Donohue, and Eva define psychological safety as employees' beliefs that their work setting permits interpersonal risk-taking and candid interaction. When the interpersonal climate is respectful and supportive, it can promote communication, learning, and constructive employee conduct. Although psychological safety differs conceptually from *tasamuh*, both highlight interpersonal respect, acceptance, and a supportive relational atmosphere. Accordingly, *tasamuh* is theoretically expected to amplify the beneficial impact of IAOL on employee performance when tolerance and mutual respect are strong.

The connections among IAOL, *ta'awun*, *tasamuh*, and employee performance can be understood using Social Exchange Theory (SET). SET views organizational relationships through the lens of reciprocity, trust, mutual obligations, and the exchange

<sup>13</sup> Muafi, "Ta' Awun Behavior, Work Stress, Worklife Balance in Islamic Perspective and Employee Performance."

<sup>14</sup> Sodik et al., "Analysis of the Effect of Islamic Leadership and Job Satisfaction on Sharia Engagement and Employee Performance of Islamic Banks in Indonesia."

of both material and socioemotional resources.<sup>15</sup> Employees typically respond to supportive or beneficial treatment from leaders with positive attitudes and behaviors in return. Cropanzano and Mitchell note that social exchange relationships involve reciprocal obligations, where favorable actions can prompt corresponding positive reactions from employees.<sup>16</sup> Accordingly, SET offers a theoretical basis for explaining the proposed links among the study variables.

In this study, IAOL is conceptualised as a leadership resource that provides employees with demanding goals, clear direction, support, recognition, and ethical guidance. Employees may respond to these positive exchanges by exerting more effort and enhancing performance. Nevertheless, reciprocity can also be demonstrated through cooperative actions rather than solely through direct performance outcomes. Accordingly, *ta'awun* reflects the behavioral expression of reciprocity, while *tasamuh* reflects the relational condition that may shape whether the exchange relationship becomes more or less effective.

SET therefore offers a consistent rationale for the proposed hypotheses. IAOL supplies both instrumental and socioemotional resources that can encourage employees to reciprocate with improved performance. When employees view their leaders as ethical, supportive, and achievement-focused, they may respond with cooperation and mutual help, which clarifies *ta'awun*'s mediating role. Meanwhile, *tasamuh* may shape whether employees experience leadership interactions as adequately respectful and supportive. In this way, SET explains how IAOL begins the exchange relationship, how *ta'awun* channels that exchange into employee actions, and how *tasamuh* can moderate the strength of the link between leadership and performance.<sup>17</sup>

Although scholarship on Islamic leadership and employee performance is expanding, important gaps persist. First, studies in Islamic banking have explored how Islamic leadership relates to employee performance via mechanisms such as Sharia engagement, job satisfaction, organizational commitment, and knowledge sharing.<sup>18,19</sup> However, comparatively little attention has focused on *ta'awun* as a distinctively Islamic behavioral pathway linking leadership to employee performance. Second, empirical work on *ta'awun* in organizational contexts remains sparse compared with well-established constructs such as perceived organizational support and organizational citizenship behavior.<sup>20</sup>

Third, *tasamuh* has seldom been included in empirical organizational frameworks as a moderating variable. Prior organizational studies typically address comparable

<sup>15</sup> George C. Homans, *Social Behavior: Its Elementary Forms*, 1974, <https://psycnet.apa.org/record/1974-20800-000>.

<sup>16</sup> Russell Cropanzano and Marie S. Mitchell, "Social Exchange Theory: An Interdisciplinary Review," *Journal of Management* 31, no. 6 (2005): 874–900, <https://doi.org/10.1177/0149206305279602>.

<sup>17</sup> Cropanzano and Mitchell, "Social Exchange Theory."

<sup>18</sup> Sodiq et al., "Analysis of the Effect of Islamic Leadership and Job Satisfaction on Sharia Engagement and Employee Performance of Islamic Banks in Indonesia."

<sup>19</sup> Sodiq et al., "The Antecedents of Employee Performance of Indonesian Sharia Bank."

<sup>20</sup> Muafi, "Ta' Awun Behavior, Work Stress, Worklife Balance in Islamic Perspective and Employee Performance."

interpersonal factors via psychological safety, trust, inclusion, and supportive workplace ties. As a result, little empirical evidence remains on whether an Islamic, tolerance-based construct can enhance the impact of achievement-oriented leadership. These limitations point to the need for an integrated model that moves beyond viewing *ihsan*, *ta'awun*, and *tasamuh* as isolated Islamic values and instead assigns each a distinct theoretical function within organizational relationships.

This study fills these gaps by proposing an integrated Islamic organizational framework in which Ihsan Achievement-Oriented Leadership serves as the antecedent, *ta'awun* operates as the mediating behavioral process, and *tasamuh* functions as the moderating relational factor. First, the study advances the growing scholarship on IAOL by investigating its association with employee performance in Islamic banking. Second, it broadens SET by clarifying how reciprocity can be manifested through the Islamic concept of *ta'awun*. Third, it positions *tasamuh* as a possible boundary condition that may enhance the effectiveness of achievement-oriented Islamic leadership.

Accordingly, this study investigates the direct impact of Ihsan Achievement-Oriented Leadership on employee performance, the mediating effect of *ta'awun*, and the moderating effect of *tasamuh* in Islamic banking institutions. Drawing on theoretical reasoning and prior empirical findings, the study advances the following hypotheses: H1: IAOL positively affects employee performance. H2: IAOL positively affects *ta'awun*. H3: *Ta'awun* positively affects employee performance. H4: *Ta'awun* mediates the association between IAOL and employee performance. H5: *Tasamuh* positively moderates the IAOL–employee performance relationship, such that this relationship is stronger when *tasamuh* is high.

## METHOD

This research used a quantitative approach to examine the relationships between Ihsan Achievement-Oriented Leadership, *ta'awun* and *tasamuh* behaviors, and employee performance among staff at Islamic banks in East Java. We collected primary data through a structured questionnaire. The data were then processed using Partial Least Squares–Structural Equation Modeling (PLS-SEM) in SmartPLS. We chose PLS-SEM because it can assess relationships among latent variables, including multidimensional constructs, and evaluate direct, mediating, and moderating effects.<sup>21,22</sup>

The study population comprised employees working in Islamic banks across East Java. Participants were selected through purposive sampling using these criteria: (1) they were currently employed at an Islamic bank in East Java; (2) they had a minimum of one year of work experience; (3) they reported to a direct supervisor, allowing them to evaluate leadership practices; and (4) they consented to participate voluntarily and completed the questionnaire in its entirety. Employees from conventional banks were not included in the study. To reach individuals who met these requirements, the study also

<sup>21</sup> Boris Blumberg et al., *EBOOK: Business Research Methods* (McGraw Hill, 2014).

<sup>22</sup> Joseph F. Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)* (SAGE Publications, 2022).

used snowball sampling as a supplementary recruitment approach. Accordingly, purposive sampling established participant eligibility, while snowball sampling identified additional respondents with the same study characteristics.

Data collection took place between November 2025 and January 2026 using an online questionnaire created in Google Forms and shared through email and WhatsApp. The questionnaire opened with screening items to confirm that participants satisfied the study's inclusion criteria. In total, 125 submissions met the eligibility conditions and were deemed valid for analysis.

The sample size was established using the ten-times rule for PLS-SEM. The IAOL construct included the most indicators, with 12 indicators spanning three dimensions: excellent work motivation, goodness as investment, and spirit of spirituality. Therefore, the minimum required sample size was computed as follows:

$$n = 10 \times 12 = 120 \quad (1)$$

This calculation indicated a minimum required sample size of 120 participants. The study collected 125 valid responses, thus surpassing the minimum sample threshold for PLS-SEM analysis.<sup>23</sup>

### Research Instrument

The study employed a 30-item instrument to assess four constructs: Ihsan Achievement-Oriented Leadership (IAOL), *ta'awun* and *tasamuh* behaviors, and employee performance. IAOL was operationalized through three dimensions: excellent work motivation, goodness as investment, and spirit of spirituality, each represented by four items. The IAOL scale was adapted from Sodikin et al. (2021).<sup>24</sup> *Ta'awun* behavior was assessed with six items adapted from Kamil et al. (2014)<sup>25</sup> and Muafi (2021),<sup>26</sup> capturing behaviors such as helping colleagues, proactively offering support, and assisting in religious activities. *Tasamuh* behavior was measured with eight items adapted from Halid (2023),<sup>27</sup> representing empathy, respect for differences, valuing diversity, acceptance of differences, openness, and humility. Employee performance was measured using four items adapted from Ludwig and Frazier (2012),<sup>28</sup> focusing on work productivity and efficiency.

<sup>23</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.

<sup>24</sup> Sodikin et al., "Ihsan Achievement-Oriented Leadership."

<sup>25</sup> Mohammed Kamil et al., "Investigating the Dimensionality of Organisational Citizenship Behaviour from Islamic Perspective (OCBIP): Empirical Analysis of Business Organisations in South-East Asia," Kamil, NM, Sulaiman, M., Osman-Gani, A., & Ahmad, K.(2014). *Investigating the Dimensionality of Organizational Citizenship Behavior from Islamic Perspective: Empirical Analysis of Business Organizations in South-East Asia*, *Asian Academy of Management Journal* 19, no. 1 (2014): 19–46.

<sup>26</sup> Muafi, "Ta' Awun Behavior, Work Stress, Worklife Balance in Islamic Perspective and Employee Performance."

<sup>27</sup> Ahmad Halid, "The Concept of Tasamuh Culture in the Implementation of Multicultural Society Behavior," *Pendidikan Multikultural* 7, no. 1 (2023): 49–59.

<sup>28</sup> Timothy D. Ludwig and Christopher B. Frazier, "Employee Engagement and Organizational Behavior Management," *Journal of Organizational Behavior Management* 32, no. 1 (2012): 75–82, <https://doi.org/10.1080/01608061.2011.619439>.

**Table 1. Variable Operationalization and Research Instrument**

| No. | Variable                                            | Indicator                                      | Code | Statement                                                                                                              |
|-----|-----------------------------------------------------|------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------|
| 1.  | <b>Ihsan Achievement-Oriented Leadership (IAOL)</b> | Excellent Work Motivation (EWM)                | EWM1 | My supervisor encourages me to achieve the best possible work results.                                                 |
|     |                                                     |                                                | EWM2 | My supervisor encourages me to continuously improve the quality of my work.                                            |
|     |                                                     |                                                | EWM3 | My supervisor motivates me to deliver my best performance in every task.                                               |
|     |                                                     |                                                | EWM4 | My supervisor encourages me to continuously improve my work outcomes.                                                  |
|     |                                                     | Goodness as Investment (GI)                    | GI1  | My supervisor teaches that doing good through work is an investment in the future.                                     |
|     |                                                     |                                                | GI2  | My supervisor encourages me to do work that benefits others.                                                           |
|     |                                                     |                                                | GI3  | My supervisor guides me to consider the long-term benefits of every task I perform.                                    |
|     |                                                     |                                                | GI4  | My supervisor encourages me to view work as part of an effort to attain goodness in both this world and the hereafter. |
|     |                                                     | Spirit of Spirituality (SS)                    | SS1  | My supervisor emphasizes spiritual values when directing work.                                                         |
|     |                                                     |                                                | SS2  | My supervisor maintains harmonious workplace relationships through a gentle and considerate attitude.                  |
|     |                                                     |                                                | SS3  | My supervisor uses Islamic values as a foundation for leadership practices.                                            |
|     |                                                     |                                                | SS4  | My supervisor encourages me to make spiritual values an important part of my work.                                     |
| 2.  | <b>Ta'awun Behavior (TWN)</b>                       | Helping coworkers in need                      | Z1   | I help coworkers who have difficulty completing their work.                                                            |
|     |                                                     |                                                | Z2   | I am willing to help coworkers who need assistance with their work.                                                    |
|     |                                                     | Taking the initiative to provide assistance    | Z3   | I take the initiative to help coworkers without being asked first.                                                     |
|     |                                                     |                                                | Z4   | I voluntarily offer assistance to coworkers who need help.                                                             |
|     |                                                     | Supporting religious activities                | Z5   | I support coworkers in carrying out religious activities in the workplace.                                             |
|     |                                                     |                                                | Z6   | I am willing to help create a work environment that supports religious practices.                                      |
| 3.  | <b>Tasamuh Behavior (TSH)</b>                       | Empathy, listening, and respecting differences | ZZ1  | I try to understand the perspectives of coworkers whose views differ from mine.                                        |
|     |                                                     |                                                | ZZ2  | I listen to my coworkers' opinions even when they differ from my own.                                                  |
|     |                                                     | Appreciating diversity                         | ZZ3  | I appreciate differences in employees' social and religious backgrounds.                                               |
|     |                                                     |                                                | ZZ4  | I respect diversity in employees' personalities and perspectives in the workplace.                                     |
|     |                                                     | Accepting differences among employees          | ZZ5  | I can accept differences in employees' perspectives in the workplace.                                                  |
|     |                                                     |                                                | ZZ6  | I can continue to work cooperatively with                                                                              |

| No. | Variable                         | Indicator                                                | Code | Statement                                                                      |
|-----|----------------------------------|----------------------------------------------------------|------|--------------------------------------------------------------------------------|
| 4.  | <b>Employee Performance (EP)</b> | Being open, humble, and not considering oneself superior |      | coworkers whose habits differ from mine.                                       |
|     |                                  |                                                          | ZZ7  | I am open to criticism and differing perspectives from my coworkers.           |
|     |                                  |                                                          | ZZ8  | I do not consider myself superior to coworkers who have different backgrounds. |
|     |                                  | Productivity in performing w                             | Y1   | I can complete my work according to established targets.                       |
|     |                                  |                                                          | Y2   | I can produce work that meets the organization's quality standards.            |
|     |                                  | Efficiency in using resources                            | Y3   | I can complete my work efficiently within the available time.                  |
|     |                                  |                                                          | Y4   | I can use organizational resources efficiently when completing my work.        |

All indicators were assessed on a five-point Likert scale, where 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. Table 1 provides the operational definitions of the variables, along with their dimensions, item codes, and instrument statements. IAOL was specified as a higher-order construct composed of three first-order constructs: excellent work motivation, goodness as investment, and spirit of spirituality. This specification captured IAOL as a multidimensional leadership construct that combines achievement-oriented work behaviors with the values of *ihsan* and spirituality. The IAOL framework followed the conceptualization proposed by Sodikin et al. (2021).<sup>29</sup>

#### Data Analysis

The measurement model was examined to determine the research instrument's validity and reliability. Convergent validity was evaluated using Outer Loadings and Average Variance Extracted, while construct reliability was assessed using Cronbach's Alpha and Composite Reliability. Discriminant validity was also tested to confirm that each construct was empirically distinguishable from the others. The measurement model assessment followed the recommendations of Hair et al. (2022)<sup>30</sup> and Hulland (1999).<sup>31</sup>

The structural model was then tested to investigate the direct, indirect, and moderating effects. The direct effects were examined through the links between Ihsan Achievement-Oriented Leadership (IAOL) and employee performance, IAOL and *ta'awun* behavior, and *ta'awun* behavior and employee performance. The indirect effect was examined by assessing the links among IAOL, *ta'awun* behavior, and employee performance to determine whether *ta'awun* behavior mediates the relationship between IAOL and employee performance. In addition, *tasamuh* behavior (TSH) was evaluated as

<sup>29</sup> Sodikin et al., "Ihsan Achievement-Oriented Leadership."

<sup>30</sup> Hair et al., *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*.

<sup>31</sup> John Hulland, "Use of Partial Least Squares (PLS) in Strategic Management Research: A Review of Four Recent Studies," *Strategic Management Journal* 20, no. 2 (1999): 195–204, [https://doi.org/10.1002/\(SICI\)1097-0266\(199902\)20:2%3C195::AID-SMJ13%3E3.0.CO;2-7](https://doi.org/10.1002/(SICI)1097-0266(199902)20:2%3C195::AID-SMJ13%3E3.0.CO;2-7).

a moderator of the relationship between IAOL and employee performance by adding the interaction term  $IAOL \times TSH$ . This moderation test determined whether *tasamuh* behavior strengthens or weakens the relationship between IAOL and employee performance.

Significance testing used a bootstrapping approach with a 5% significance threshold. We supported a hypothesis when the p-value fell below 0.05. We also assessed structural relationships using path coefficients and t-statistics. In the mediation analysis, we evaluated significance based on the indirect effect, while we examined the moderating effect through the significance of the  $IAOL \times TSH$  interaction term on employee performance. Accordingly, the research model evaluated three direct effects, one mediating effect, and one moderating effect. In particular, it examined the impact of IAOL on employee performance, the impact of IAOL on *ta'awun* behavior, the impact of *ta'awun* behavior on employee performance, the indirect influence of IAOL on employee performance via *ta'awun* behavior, and the moderating role of *tasamuh* behavior in the link between IAOL and employee performance. This study followed recognized research ethics guidelines. Respondents were informed of the study's aim before completing the questionnaire and participated voluntarily. The researchers kept their identities and data confidential and used them only for academic purposes.

## RESULTS AND DISCUSSION

This section presents the empirical results in line with the study's objectives and proposed hypotheses. It starts by describing the respondents' profiles, then evaluates the measurement and structural models. The results are then interpreted in light of prior research and the context of Islamic organization and behavior.

**Table 2. Respondent Characteristics**

| No.   | Characteristic                 | Category          | Frequency (n) | Percentage (%) |
|-------|--------------------------------|-------------------|---------------|----------------|
| 1.    | Gender                         | Male              | 68            | 54.4           |
|       |                                | Female            | 57            | 45.6           |
| 2.    | Age                            | < 25 years        | 18            | 14.4           |
|       |                                | 25–34 years       | 58            | 46.4           |
|       |                                | 35–44 years       | 34            | 27.2           |
|       |                                | ≥ 45 years        | 15            | 12.0           |
|       |                                |                   |               |                |
| 3.    | Highest Educational Attainment | Diploma           | 12            | 9.6            |
|       |                                | Bachelor’s degree | 91            | 72.8           |
|       |                                | Master’s degree   | 22            | 17.6           |
| 4.    | Length of Employment           | < 3 years         | 27            | 21.6           |
|       |                                | 3–5 years         | 38            | 30.4           |
|       |                                | 6–10 years        | 35            | 28.0           |
|       |                                | > 10 years        | 25            | 20.0           |
|       |                                |                   |               |                |
| 5.    | Job Position                   | Staff             | 76            | 60.8           |
|       |                                | Supervisor        | 28            | 22.4           |
|       |                                | Manager           | 14            | 11.2           |
|       |                                | Outher            | 7             | 5.6            |
| Total |                                |                   | 125           | 100.0          |

Table 2 shows that among the 125 respondents, 68 were male (54.4%), and 57 were female (45.6%). Most participants were aged 25–34 years ( $n = 58$ , 46.4%), followed by those aged 35–44 years ( $n = 34$ , 27.2%), those under 25 years ( $n = 18$ , 14.4%), and those aged 45 years or above ( $n = 15$ , 12.0%). In terms of education, the largest proportion held a Bachelor's degree ( $n = 91$ , 72.8%), followed by a Master's degree ( $n = 22$ , 17.6%) and a Diploma ( $n = 12$ , 9.6%). Regarding work experience, the biggest group reported 3–5 years of experience ( $n = 38$ , 30.4%), followed by 6–10 years ( $n = 35$ , 28.0%), less than 3 years ( $n = 27$ , 21.6%), and more than 10 years ( $n = 25$ , 20.0%). For job position, most respondents were staff ( $n = 76$ , 60.8%), followed by supervisors ( $n = 28$ , 22.4%), managers ( $n = 14$ , 11.2%), and other roles ( $n = 7$ , 5.6%). Overall, the respondent profile suggests the sample was mainly male employees aged 25–34 years, holding a Bachelor's degree, with 3–5 years of experience, and working in staff-level roles.

IAOL is conceptualized as a higher-order construct comprising three lower-order constructs: Excellent Work Motivation (EWM), Goodness as Investment (GI), and Spirit of Spirituality (SS). In this framework, the three lower-order constructs serve as the first-order dimensions used to operationalise the multidimensional IAOL construct. *Ta'awun* (TWN) and *Tasamuh* Behaviors (TSH), and Employee Performance (EP) are specified as distinct first-order constructs. Thus, the measurement model distinguishes IAOL's lower-order dimensions from the other independent latent constructs in the structural model. This configuration allows IAOL to reflect the overarching multidimensional character of achievement-oriented leadership while preserving the distinct effects of excellent work motivation, goodness as investment, and spirit of spirituality.

Table 3 reports the indicator loadings for the three lower-order IAOL dimensions, as well as those for *ta'awun* and *tasamuh* behaviors, and employee performance. For excellent work motivation, the loadings range from 0.822 to 0.893; for goodness as investment, from 0.805 to 0.874; and for spirit of spirituality, from 0.804 to 0.838. The *ta'awun* and *tasamuh* behaviors, and employee performance indicators also show acceptable loadings, ranging from 0.727 to 0.851. Because all loadings exceed the recommended 0.70 cutoff, the results support sufficient convergent validity at the indicator level. Therefore, no indicators were excluded from the measurement model.

The higher-order IAOL construct was subsequently assessed by examining its associations with the three underlying lower-order dimensions. Within this hierarchical specification, excellent work motivation, goodness as investment, and spirit of spirituality function as the component dimensions used to operationalize IAOL and therefore should not be viewed as separate constructs competing with IAOL in the structural model. Clarifying this point is crucial for properly interpreting the measurement findings and the coefficients of determination ( $R^2$ ) for the three lower-order dimensions. Specifically, the  $R^2$  values reflect the share of variance in excellent work motivation, goodness as investment, and SS explained by the higher-order IAOL construct, not the share of variance in IAOL explained by these lower-order dimensions.

**Table 3. Assessment of Convergent Validity**

| Variable                                            | Indicator   | EWM   | GI    | SS    | TWN   | TSH   | EP    |
|-----------------------------------------------------|-------------|-------|-------|-------|-------|-------|-------|
| <b>Ihsan Achievement Oriented Leadership (IAOL)</b> | <b>EWM1</b> | 0.827 |       |       |       |       |       |
|                                                     | <b>EWM2</b> | 0.893 |       |       |       |       |       |
|                                                     | <b>EWM3</b> | 0.850 |       |       |       |       |       |
|                                                     | <b>EWM4</b> | 0.822 |       |       |       |       |       |
|                                                     | <b>GI1</b>  |       | 0.872 |       |       |       |       |
|                                                     | <b>GI2</b>  |       | 0.854 |       |       |       |       |
|                                                     | <b>GI3</b>  |       | 0.874 |       |       |       |       |
|                                                     | <b>GI4</b>  |       | 0.805 |       |       |       |       |
|                                                     | <b>SS1</b>  |       |       | 0.810 |       |       |       |
|                                                     | <b>SS2</b>  |       |       | 0.811 |       |       |       |
|                                                     | <b>SS3</b>  |       |       | 0.804 |       |       |       |
|                                                     | <b>SS4</b>  |       |       | 0.838 |       |       |       |
| <b><i>Ta'awun</i> Behavior (TWN)</b>                | <b>Z1</b>   |       |       |       | 0.827 |       |       |
|                                                     | <b>Z2</b>   |       |       |       | 0.743 |       |       |
|                                                     | <b>Z3</b>   |       |       |       | 0.796 |       |       |
|                                                     | <b>Z4</b>   |       |       |       | 0.786 |       |       |
|                                                     | <b>Z5</b>   |       |       |       | 0.805 |       |       |
|                                                     | <b>Z6</b>   |       |       |       | 0.744 |       |       |
| <b><i>Tasamuh</i> Behavior (TSH)</b>                | <b>ZZ1</b>  |       |       |       |       | 0.762 |       |
|                                                     | <b>ZZ2</b>  |       |       |       |       | 0.763 |       |
|                                                     | <b>ZZ3</b>  |       |       |       |       | 0.764 |       |
|                                                     | <b>ZZ4</b>  |       |       |       |       | 0.752 |       |
|                                                     | <b>ZZ5</b>  |       |       |       |       | 0.803 |       |
|                                                     | <b>ZZ6</b>  |       |       |       |       | 0.760 |       |
|                                                     | <b>ZZ7</b>  |       |       |       |       | 0.727 |       |
|                                                     | <b>ZZ8</b>  |       |       |       |       | 0.777 |       |
| <b>Employee Performance (EP)</b>                    | <b>Y1</b>   |       |       |       |       |       | 0.786 |
|                                                     | <b>Y2</b>   |       |       |       |       |       | 0.803 |
|                                                     | <b>Y3</b>   |       |       |       |       |       | 0.851 |
|                                                     | <b>Y4</b>   |       |       |       |       |       | 0.825 |

The cross-loading findings in Table 4 show that each indicator loads more heavily on its intended construct than on any alternative construct. This pattern suggests that the latent variables represent separate conceptual areas with little overlap. As a result, the measurement model exhibits adequate discriminant validity, reinforcing the distinctiveness of each construct used in this study. The reliability of the measurement model was then assessed using Cronbach's Alpha, Composite Reliability, and Average Variance Extracted to evaluate the internal consistency and stability of the study constructs.

As shown in Table 5, the results suggest that each construct satisfies the recommended reliability thresholds. Cronbach's Alpha values fall between 0.833 and 0.938, Composite Reliability ranges from 0.889 to 0.946, and Average Variance Extracted values span 0.583 to 0.725. Because all reported figures exceed the accepted benchmark levels, the constructs show adequate internal consistency and convergent validity. Overall, these outcomes indicate that the measurement model is reliable enough

to proceed with hypothesis testing.

**Table 4. Cross-Loadings for Discriminant Validity Assessment**

| Variable                                     | Indicator | EWM          | GI           | IAOL  | EP           | SS           | TSH          | TWN          |
|----------------------------------------------|-----------|--------------|--------------|-------|--------------|--------------|--------------|--------------|
| Ihsan Achievement Oriented Leadership (IAOL) | EWM1      | <b>0.827</b> | 0.493        | 0.704 | 0.402        | 0.638        | 0.361        | 0.492        |
|                                              | EWM2      | <b>0.893</b> | 0.618        | 0.771 | 0.516        | 0.622        | 0.409        | 0.581        |
|                                              | EWM3      | <b>0.850</b> | 0.609        | 0.761 | 0.423        | 0.650        | 0.352        | 0.463        |
|                                              | EWM4      | <b>0.822</b> | 0.693        | 0.781 | 0.452        | 0.642        | 0.365        | 0.552        |
|                                              | GI1       | 0.627        | <b>0.872</b> | 0.814 | 0.444        | 0.743        | 0.391        | 0.577        |
|                                              | GI2       | 0.604        | <b>0.854</b> | 0.783 | 0.504        | 0.694        | 0.420        | 0.648        |
|                                              | GI3       | 0.588        | <b>0.874</b> | 0.804 | 0.488        | 0.749        | 0.389        | 0.572        |
|                                              | GI4       | 0.614        | <b>0.805</b> | 0.773 | 0.629        | 0.706        | 0.431        | 0.509        |
|                                              | SS1       | 0.651        | 0.774        | 0.809 | 0.464        | <b>0.810</b> | 0.414        | 0.606        |
|                                              | SS2       | 0.634        | 0.631        | 0.749 | 0.418        | <b>0.811</b> | 0.482        | 0.540        |
|                                              | SS3       | 0.612        | 0.637        | 0.742 | 0.548        | <b>0.804</b> | 0.377        | 0.504        |
|                                              | SS4       | 0.555        | 0.723        | 0.765 | 0.469        | <b>0.838</b> | 0.369        | 0.479        |
| Employee Performance (EP)                    | Y1        | 0.386        | 0.421        | 0.466 | <b>0.786</b> | 0.480        | 0.362        | 0.442        |
|                                              | Y2        | 0.478        | 0.567        | 0.547 | <b>0.803</b> | 0.461        | 0.267        | 0.479        |
|                                              | Y3        | 0.467        | 0.490        | 0.518 | <b>0.851</b> | 0.471        | 0.384        | 0.591        |
|                                              | Y4        | 0.390        | 0.492        | 0.498 | <b>0.825</b> | 0.491        | 0.325        | 0.446        |
| <i>Ta'awun</i> Behavior (TWN)                | Z1        | 0.564        | 0.575        | 0.640 | 0.569        | 0.630        | 0.530        | <b>0.827</b> |
|                                              | Z2        | 0.441        | 0.529        | 0.511 | 0.443        | 0.436        | 0.459        | <b>0.743</b> |
|                                              | Z3        | 0.408        | 0.488        | 0.480 | 0.490        | 0.426        | 0.372        | <b>0.796</b> |
|                                              | Z4        | 0.463        | 0.516        | 0.556 | 0.477        | 0.559        | 0.416        | <b>0.786</b> |
|                                              | Z5        | 0.586        | 0.511        | 0.567 | 0.413        | 0.469        | 0.418        | <b>0.805</b> |
|                                              | Z6        | 0.423        | 0.560        | 0.550 | 0.430        | 0.529        | 0.409        | <b>0.744</b> |
| Tasamuh Behavior (TSH)                       | ZZ1       | 0.279        | 0.261        | 0.285 | 0.205        | 0.246        | <b>0.762</b> | 0.367        |
|                                              | ZZ2       | 0.358        | 0.374        | 0.405 | 0.326        | 0.386        | <b>0.763</b> | 0.487        |
|                                              | ZZ3       | 0.275        | 0.332        | 0.363 | 0.201        | 0.397        | <b>0.764</b> | 0.398        |
|                                              | ZZ4       | 0.415        | 0.431        | 0.479 | 0.360        | 0.480        | <b>0.752</b> | 0.407        |
|                                              | ZZ5       | 0.366        | 0.411        | 0.434 | 0.399        | 0.422        | <b>0.803</b> | 0.455        |
|                                              | ZZ6       | 0.259        | 0.325        | 0.341 | 0.323        | 0.358        | <b>0.760</b> | 0.405        |
|                                              | ZZ7       | 0.313        | 0.355        | 0.360 | 0.279        | 0.323        | <b>0.727</b> | 0.457        |
|                                              | ZZ8       | 0.356        | 0.368        | 0.404 | 0.303        | 0.392        | <b>0.777</b> | 0.397        |

**Table 5. Assessment of Reliability**

| Variabel | Cronbach's Alpha | Composite Reliability | Average Variance Extracted (AVE) |
|----------|------------------|-----------------------|----------------------------------|
| EWM      | 0.870            | 0.911                 | 0.720                            |
| GI       | 0.873            | 0.913                 | 0.725                            |
| IAOL     | 0.938            | 0.946                 | 0.596                            |
| EP       | 0.834            | 0.889                 | 0.667                            |
| SS       | 0.833            | 0.889                 | 0.666                            |
| TSH      | 0.899            | 0.918                 | 0.583                            |
| TWN      | 0.874            | 0.905                 | 0.615                            |

After confirming the measurement model's adequacy, the structural model was assessed by reviewing the coefficient of determination ( $R^2$ ) to evaluate its explanatory strength.

**Table 6. Coefficient of Determination ( $R^2$ )**

| Variable | R Square |
|----------|----------|
| EWM      | 0.793    |
| GI       | 0.868    |
| SS       | 0.884    |
| TWN      | 0.498    |

Table 6 displays the coefficients of determination ( $R^2$ ) for the endogenous lower-order dimensions in the higher-order construct model. The  $R^2$  values for excellent work motivation, goodness as investment, and spirit of spirituality are 0.793, 0.868, and 0.884, respectively. These figures show that the higher-order IAOL construct accounts for 79.3% of the variance in excellent work motivation, 86.8% in goodness as investment, and 88.4% in spirit of spirituality. Thus, within the proposed hierarchical model, the higher-order IAOL construct strongly captures the three lower-order dimensions. These  $R^2$  values should not be read as excellent work motivation, goodness as investment, and spirit of spirituality explaining variance in IAOL; instead, they represent the share of variance in each lower-order dimension explained by the higher-order IAOL construct.

For *ta'awun* behavior, the  $R^2$  value is 0.498, suggesting that IAOL accounts for 49.8% of the variance, while the remaining 50.2% is attributable to factors not captured in the structural model. Overall, these findings indicate meaningful explanatory power for the endogenous constructs assessed in the model and provide empirical support for conceptualizing IAOL through its three lower-order dimensions: excellent work motivation, goodness as investment, and spirit of spirituality.

**Table 7. Direct Effects**

| Hypothesis  | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values     |
|-------------|---------------------|-----------------|----------------------------|--------------------------|--------------|
| IAOL -> EP  | 0.533               | 0.528           | 0.090                      | 5.934                    | <b>0.000</b> |
| IAOL -> TWN | 0.706               | 0.710           | 0.043                      | 16.564                   | <b>0.000</b> |
| TWN -> EP   | 0.302               | 0.297           | 0.128                      | 2.363                    | <b>0.019</b> |

As seen in Table 7, the direct effect analysis indicates that Ihsan Achievement-Oriented Leadership has a positive, significant impact on employee performance and encourages *ta'awun* behavior. In addition, *ta'awun* behavior significantly and positively influences employee performance. Overall, these results imply that Islamic leadership enhances organizational performance not only through direct managerial effects but also by cultivating a cooperative workplace marked by mutual support and shared commitment.

**Table 8. Indirect Effects**

| Hypothesis        | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values     |
|-------------------|---------------------|-----------------|----------------------------|--------------------------|--------------|
| IAOL -> TWN -> EP | 0.213               | 0.211           | 0.093                      | 2.285                    | <b>0.023</b> |

The mediation results show that *ta'awun* partially mediates the association between IAOL and employee performance. Table 8 demonstrates that the indirect effect of IAOL on employee performance through *ta'awun* is positive and statistically significant ( $\beta = 0.213$ ,  $t = 2.285$ ,  $p = 0.023$ ), and the direct effect of IAOL on Employee Performance also remains positive and statistically significant ( $\beta = 0.533$ ,  $t = 5.934$ ,  $p < 0.001$ ). Because both the direct and indirect paths are significant, *ta'awun* is a partial mediator, meaning IAOL affects employee performance through two complementary mechanisms: a direct route through leadership practices and an indirect route by encouraging cooperation, mutual support, and shared responsibility through *ta'awun*. Therefore, *ta'awun* explains some, but not all, of IAOL's impact on employee performance, indicating that IAOL's influence extends beyond *ta'awun*'s mediating role.

To test whether *tasamuh* moderates the relationship, the structural model included an interaction term created by multiplying IAOL and *tasamuh* behavior (IAOL  $\times$  TSH). Consequently, the moderation hypothesis was evaluated using the path from the interaction term (IAOL  $\times$  TSH) to employee performance, rather than relying on *tasamuh* behavior's direct effect on employee performance. A statistically significant interaction suggests that the magnitude or direction of the IAOL–employee performance relationship varies at different levels of *tasamuh*. Therefore, the significance and coefficient of the IAOL  $\times$  TSH term indicate the presence and magnitude of *tasamuh* behavior's moderating influence.

**Table 9. Moderating Effects**

| Hypothesis       | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics ( O/STDEV ) | P Values     |
|------------------|---------------------|-----------------|----------------------------|--------------------------|--------------|
| IAOL X TSH -> EP | 0.320               | 0.315           | 0.124                      | 2.579                    | <b>0.010</b> |

Table 9 reports the estimated interaction effect of IAOL  $\times$  TSH on employee performance. The interaction term is positive and statistically significant ( $\beta = 0.320$ ,  $t = 2.579$ ,  $p = 0.010$ ). Since the p-value is below the 0.05 significance level, H5 is supported. This positive and significant coefficient suggests that *tasamuh* amplifies the positive link between IAOL and employee performance. Put differently, as *tasamuh* increases, IAOL's impact on employee performance becomes stronger.

Reporting the direct association between *tasamuh* and employee performance on its own should not be taken as proof of moderation. Instead, it reflects *tasamuh*'s standalone (main) effect on employee performance. Draw any conclusion about a moderating role specifically from the significance and direction of the IAOL  $\times$  TSH interaction term.

## Discussion

The results show that IAOL is positively linked to employee performance, and that *ta'awun* behavior partly explains this association. These results should be interpreted in light of the particular work setting of Islamic banking in East Java, where employees must simultaneously meet business performance goals, deliver high-quality customer service, and comply with Sharia requirements. Employees are expected not only to reach operational and service targets but also to uphold professional behavior aligned with Islamic ethical values.

In this setting, *ihsan*-rooted leadership can give employees clear direction toward excellence while linking performance standards to ethical accountability. The resulting positive association between IAOL and employee performance indicates that leadership based on Islamic principles aligns with the real-world demands employees face in Islamic banking. This view underscores the need to assess leadership effectiveness against the ethical and operational realities of Islamic financial institutions.

The beneficial impact of IAOL on employee performance may stem from the nature of work in Islamic banking institutions. Employees must achieve performance goals, sustain service standards, manage customer relationships, and carry out their responsibilities in line with Sharia principles. These expectations can require employees to balance efficiency and target attainment with precision, reliability, and ethical responsibility.

Leaders who emphasize strong work motivation, goodness as investment, and a spirit of spirituality can offer employees a framework for viewing these demands as both organizational obligations and moral duties. In this setting, *ihsan*-oriented leadership may increase employees' readiness to carry out their tasks with care and accountability, since performance is judged not only by quantitative goals but also by the quality and ethical conduct reflected in how the work is done.

This interpretation aligns with earlier studies linking Islamic human resource practices and Islamic leadership to favorable organizational and employee outcomes.<sup>32</sup> However, the current results offer a more context-sensitive account by framing IAOL as a multidimensional leadership construct in Islamic banking. This view builds on prior research by highlighting how IAOL's dimensions can work together to form a leadership framework that combines achievement orientation with Islamic ethical principles.

Differences in the day-to-day job features of frontline versus back-office staff may also shape the link between IAOL and employee performance. Frontline roles, including customer service and financing employees, deal directly with customers and must respond to immediate pressures tied to service quality, responsiveness, communication, and

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<sup>32</sup> Ilhaamie Abdul Ghani Azmi, "Islamic Human Resource Practices and Organizational Performance," *Journal of Islamic Accounting and Business Research* 6, no. 1 (2015): 2; Saikou Gassama et al., "Islamization of Accounting Policies as a Solution to the Ethical Problem in Accounting through Accounting Education," *Budapest International Research and Critics Institute-Journal (BIRCI-Journal)* 4, no. 2 (2021): 1607–17; Hamida Hamida et al., "The Nexus of Technological Innovation and Institutional Quality in Shaping the Future of Islamic Finance," *Al-Jadwa: Jurnal Studi Islam* 6, no. 1 (2026): 1–19, <https://doi.org/10.38073/aljadwa.4578>.

meeting targets. As a result, their performance may depend on how well leaders communicate expectations and provide ethical guidance during customer interactions.

Back-office staff, by contrast, tend to be more directly engaged in administrative and operational work, as well as risk management and compliance tasks, where precision, coordination, and consistent adherence to established procedures are especially critical. While these positions vary in their day-to-day responsibilities, both call for leadership that balances performance with ethical responsibility. IAOL may thus serve as a shared leadership orientation across different job functions, while still enabling employees to apply the principles of *ihsan* in ways that fit the demands of their specific roles.

The significant association between IAOL and *ta'awun* also suggests that Islamic leadership shapes not only individual performance results but also employees' interactions with one another. This link is especially important in Islamic banking, where many functions depend on coordination among staff and across organizational units. Areas such as customer service, financing procedures, document checks, risk evaluation, operational administration, and Sharia compliance often rely on interconnected tasks.

In such situations, employees cannot always fulfil their duties alone. Leaders who prioritize ethical accountability, reciprocal respect, and shared success can motivate employees to support coworkers, share knowledge, and align their efforts when job requirements go beyond individual roles. This view aligns with prior studies showing that ethical leadership promotes employees' prosocial actions and organizational citizenship behaviors.<sup>33</sup>

Accordingly, the positive association between IAOL and *ta'awun* may stem from the fact that *ihsan*-oriented leadership sets behavioral standards that stress not only individual performance but also accountability to others. This type of leadership can foster an organizational climate in which employees understand that meeting personal and organizational objectives may depend on their readiness to collaborate and assist coworkers. This result further supports the behavioral aspect of IAOL in Islamic banking.

The beneficial impact of *ta'awun* on employee performance offers additional insight into this organizational setting. Cooperative conduct is especially important in banking, where delays or mistakes in one unit can disrupt later stages and ultimately affect customer service. Strong coordination between frontline staff and back-office teams can streamline customer requests, financing applications, documentation, and other banking services.

Employees who prepare to help others and share useful information may better cope with workload strain and address operational issues. In this regard, *ta'awun* goes beyond ordinary workplace collaboration. In Islamic banking, cooperative conduct can serve as an interpersonal resource that helps employees meet interdependent job demands while sustaining service standards and operational performance.

Prior studies have linked cooperative and charity-focused organizational behavior

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<sup>33</sup> Nathan Eva et al., "The Relationship between Ethical Leadership and Employees' Internal and External Community Citizenship Behaviors: The Mediating Role of Prosocial Motivation," *Personnel Review* 49, no. 2 (2020): 636–52.

to favorable workplace outcomes,<sup>34</sup> while the current results underscore how this behavior functions in an Islamic organizational context through the normative principle of mutual help. In this way, *ta'awun* serves as a meaningful behavioral pathway that enables employees to apply Islamic ethical values in routine workplace practices. Its impact on employee performance therefore represents both practical collaboration and the ethical character of the Islamic banking setting.

The mediation analysis offers a clearer account of how IAOL influences Employee Performance. The significant indirect effect of IAOL on employee performance via *ta'awun*, along with the significant direct effect of IAOL on employee performance, suggests partial mediation. This result indicates that IAOL enhances employee performance both directly and indirectly by fostering cooperative behavior.

Within Islamic banking in East Java, this mechanism is reasonable because leaders shape not only employees' understanding of performance expectations but also how they relate to one another while working to meet them. Leaders can set benchmarks for excellence and ethical responsibility, whereas *ta'awun* offers an interpersonal avenue for employees to help one another achieve those benchmarks. As a result, IAOL's impact is partly expressed through employees' readiness to collaborate, support coworkers, and align their tasks.

This mediation result therefore offers a behavioral account of the direct link between Islamic leadership and employee performance, rather than merely reiterating that both associations are positive. It indicates that leadership effectiveness is partly conveyed through employees' cooperative behavior. Accordingly, *ta'awun* explains some, but not all, of IAOL's effect on employee performance, implying that additional mechanisms may also shape this relationship.<sup>35</sup>

Assessing the role of *tasamuh* requires separating its direct influence from any possible moderating influence. The association between *tasamuh* and employee performance shown in Table 9 reflects a direct link and, on its own, should not be taken as proof that *tasamuh* moderates the relationship between IAOL and employee performance. To demonstrate moderation, it is necessary to test the interaction between IAOL and *tasamuh* when predicting employee performance.

Thus, the claim that *tasamuh* reinforces the link between IAOL and employee performance should be maintained only if the interaction term is positive and statistically significant. When the interaction term is not statistically significant, *tasamuh* should instead be treated as an independent behavioral or ethical factor related to employee performance. This distinction matters because earlier studies have examined Islamic leadership, work motivation, and employee performance in relation to Islamic ethical

<sup>34</sup> Ludwig and Frazier, "Employee Engagement and Organizational Behavior Management"; Zin-Eddine Dadach, "Workforce Management Based On Charity in Muslim Organizations," *International Journal of Islamic Business & Management* 4, no. 2 (2020): 1–7.

<sup>35</sup> Sharifah Norhafiza Syed Ibrahim et al., "External and Internal Determinants of Islamic Bank's Financial Performance in Malaysia," *International Journal of Academic Research in Accounting, Finance and Management Sciences* 13, no. 2 (2023): Pages 390-398, <https://doi.org/10.6007/IJARAFMS/v13-i2/17402>.

values.<sup>36</sup>

From a contextual standpoint, *tasamuh* remains important in Islamic banking because staff must engage with customers and coworkers who may differ in background, viewpoint, communication style, and work approach. Practicing tolerance and mutual respect helps foster positive interpersonal relations and minimizes avoidable conflict in a setting shaped by service expectations and interdependent responsibilities.

Nevertheless, these contextual factors should be kept separate from the statistical assessment of moderation. In this study, a moderating effect of *tasamuh* can be demonstrated empirically only if the structural model supports the interaction between IAOL and *tasamuh* in predicting employee performance. Making this separation helps ensure that *tasamuh* is interpreted in a way that aligns with the variables and relationships directly examined in the study.

Taken together, the results suggest that IAOL, *ta'awun*, and *tasamuh* are best interpreted in the practical organizational context of Islamic banking, rather than as stand-alone Islamic notions. IAOL shows a positive link with employee performance in settings shaped by performance goals, customer service pressures, and Sharia-informed ethical obligations. *Ta'awun* partly mediates this link, serving as a cooperative behavioral pathway for handling interdependent work requirements.

Meanwhile, *tasamuh* offers an ethically meaningful framework for interpersonal relations, and its role as a moderator should be assessed through the interaction effect rather than a direct link to employee performance. These results indicate that Islamic banking institutions could benefit from leadership development that integrates achievement orientation with ethical responsibility, while organizational practices can promote collaboration and respectful workplace relationships.

Such practices should be viewed as managerial implications drawn from the results, rather than as definitive proof of long-term organizational sustainability or competitive advantage. In general, the study advances understanding of Islamic leadership by demonstrating that IAOL can affect employee performance both directly and indirectly through *ta'awun*, whereas the influence of *tasamuh* is contingent on the empirical support indicated by the moderation analysis.

## CONCLUSION

This research shows that Ihsan Achievement-Oriented Leadership (IAOL) has a key role in improving employee performance in Islamic banking institutions in East Java. IAOL positively and significantly influences employee performance and also encourages *ta'awun* behavior. *Ta'awun*, in turn, has a significant positive impact on employee performance and partially mediates the link between IAOL and employee performance.

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<sup>36</sup> H. Amaliyah and A. Fahrullah, "Islamic Leadership, Work Motivation, and Employee Performance of Bank Jatim Syariah Surabaya," *Journal Intellectual Sufism Research (JISR)* Vol 2, no. 2 (2020), <https://www.academia.edu/download/107114189/30.pdf>; AISHA SALIM JUMA Alarimy, "Islamic and Western Approaches to Human Resource Management in Organizations: A Practical Approach," *International Journal of Information Technology and Business Management* 39, no. 1 (2015): 1–13.

Overall, the results suggest that *ihsan*-based leadership enhances employee performance not only through direct achievement-focused and spiritually rooted leadership practices, but also indirectly by strengthening cooperation, mutual support, and shared responsibility among employees.

The study also shows that *tasamuh* meaningfully amplifies the positive link between IAOL and employee performance. This indicates that leadership that stresses excellence, ethical accountability, and spirituality is more impactful when employees work in an environment marked by tolerance, mutual respect, openness, and acceptance of diversity. Overall, these results support an integrated Islamic organizational model in which IAOL serves as a leadership antecedent, *ta'awun* acts as a behavioral mechanism, and *tasamuh* functions as a relational condition that enhances leadership effectiveness.

From a theoretical perspective, this study advances the growing body of work on Islamic leadership by bringing *ihsan*, *ta'awun*, and *tasamuh* together in a single organizational framework and clarifying their distinct contributions to explaining employee performance. From a practical standpoint, Islamic banking institutions should reinforce leadership approaches that blend achievement focus with Islamic ethical principles while also fostering cooperative and respectful workplace relationships.

However, these results should be considered alongside several limitations. The research included 125 participants recruited through non-probability sampling, used self-reported, cross-sectional data, and focused only on Islamic banking institutions in East Java. In addition, it did not distinguish among different types of Islamic banks or incorporate objective performance measures. Accordingly, future studies should use larger, more heterogeneous samples, adopt longitudinal approaches, include objective performance indicators, and conduct comparative analyses across different Islamic financial institutions and geographic settings.

## **DECLARATION OF AI AND AI-ASSISTED TECHNOLOGIES IN THE WRITING PROCESS**

While preparing this manuscript, the authors used ChatGPT (OpenAI) solely for language-related support, including grammar and style corrections, improving clarity and readability, and refining sentences. The tool did not shape the research design, methodology, data analysis, interpretation of results, or the study's conclusions.

The authors carefully evaluated, fact-checked, and edited all AI-supported outputs. The authors assume full responsibility for the manuscript's accuracy, originality, integrity, and final content.

## **AUTHOR CONTRIBUTION STATEMENT**

Ikhsan Maksum contributed to study conceptualization, research design, methodology, data collection, data analysis, interpretation of results, and drafting the initial manuscript. Ryan Basith Fasih Khan contributed to conceptualization, methodology, interpretation of results, and critical review and editing of the manuscript. Lempang Hasibuan assisted with data collection, data analysis, interpretation of results,

and manuscript review and editing. Alwahidin La Pade contributed to the literature review, interpretation of results, and manuscript review and editing. Eka Wahyu Hestya Budianto contributed to the literature review, data analysis, interpretation of results, and critical review and editing of the manuscript. Agus Iqbal Hawabi contributed to the literature review, interpretation of results, and manuscript review and editing. All authors reviewed and approved the final version of the manuscript.

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## DATA AVAILABILITY STATEMENT

The data underlying this study's results are not publicly accessible because they include information collected from individual participants. However, the corresponding author can provide the data upon reasonable request, in accordance with relevant ethical, privacy, and institutional guidelines.

## DECLARATION OF INTERESTS

The authors state that they have no financial, personal, professional, or other conflicts of interest that might have affected the study's design and conduct, data analysis, interpretation of results, or reporting of findings.

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