

The Influence of Islamic-Based Leadership on Employee Performance: Employee Engagement as A Mediation Variable

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ABSTRACT

Performance is an important factor in the success of an organization or company. Performance can be defined as the work results of individuals in terms of quality and quantity, achieved by an employee in carrying out their duties and fulfilling responsibilities within a specific period. Performance refers to the work results achieved by an individual or group within an organization, in accordance with their respective authorities and responsibilities, to attain organizational goals legally, without violating laws, and adhering to norms and ethics. Leadership plays an important role in improving employee performance in a company. This is exemplified by the Islamic leadership style, rooted in the era of Prophet Muhammad SAW, which is characterized by four key traits: *Shidiq* (truthfulness), *Amanah* (trustworthiness), *Fatonah* (wisdom), and *Tabligh* (conveying truth). This study aims to test the direct and indirect influence of Islamic leadership traits on employee performance with employee engagement as a mediating variable. This study uses an explanatory research method with primary data. Research data were collected through an online questionnaire, namely Google Forms. The results of the study showed that all Islamic leadership traits (*Shidiq*, *Amanah*, *Fatonah*, and *Tabligh*) have a direct positive effect on employee performance. This means that when leaders can apply Islamic leadership traits well, employee performance will also be good in their work. However, employee engagement as a mediating variable is only able to mediate one of the leadership traits on employee performance, namely, *Shidiq*.

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INTRODUCTION

Islamic leadership is a significant aspect in organizational studies. Islamic leadership refers to a leadership style based on Islamic values, including justice, honesty, trustworthiness, and a high sense of responsibility towards Allah and fellow human beings. Leaders who apply Islamic principles in their leadership are expected to be able to guide and motivate employees to work with integrity and dedication. Previous studies have shown that Islamic leadership can increase employee work engagement, which in turn has a positive impact on employee performance (Abdullahi et al., 2022).

This is due to a greater sense of moral responsibility and a strong spiritual drive in carrying out work tasks. In addition to Islamic leadership, job satisfaction is also a key factor influencing within a Sharia framework, which in turn mediates the relationship between employee engagement and performance. Job satisfaction reflects the extent to which employees are satisfied with various aspects of their jobs, including salary, working conditions, relationships with coworkers, and development opportunities. In an Islamic work environment, job satisfaction can also be influenced by the extent to which the organization implements Sharia values in its policies (Ahmed et al., 2021). A leader must also be able to respond to the development of the times, with the ability to make new policies to anticipate phenomena that can affect employee performance. An organization will be more alive if it has a good leader and can motivate employees to increase loyalty to its organization so that they feel useful to the organization (Atatsi et al., 2019).

Motivation is the driving force that cultivates an individual's passion, encouraging them to collaborate, work effectively, and integrate their efforts to achieve desired outcomes and satisfaction. In addition to motivation, organizational commitment is also needed to build cooperation, foster work enthusiasm, and create loyalty to the company. High commitment to the company will have a positive impact on the company. A phenomenon that often occurs is that the performance of a company that has been so good can be damaged, either directly or indirectly, by various employee behaviors that are difficult to prevent (Binu et al., 2023). Leadership, a crucial element in the structure of a company and organization, remains a compelling topic for contemporary research. Its strategic role in achieving organizational goals, such as mission and vision, is a primary driver for continued exploration of leadership

concepts. Managing an organization requires not only a clear vision and its efficient communication, but also skills related to motivating people (Hair, Sarstedt, et al., 2019).

Leadership, a crucial element in the structure of a company and organization, remains an interesting topic to study today. Its strategic role in achieving organizational goals, such as mission and vision, is the main trigger that drives people to continue to explore deeper into the concepts of leadership. To manage an organization, not only is a vision and efficient communication of that vision needed, but also skills related to motivating people. Identifies important leadership traits from an Islamic perspective, which also apply to managerial leaders in all types of organizations (Ismail et al., 2022). Muslim scholars have studied Islamic leadership, and Prophet Muhammad (PBUH) is the best example of true leadership. Muslim leaders must reflect the true beliefs and ethical code of conduct of Islam. Therefore, Muslim scholars have tried to highlight the leadership practices of Prophet Muhammad (PBUH) to explore and understand the true traits of a leader, truthfulness (*Shidiq*), trustworthy (*Amanah*), conveying truth (*Tabligh*), and wisdom (*Fathonah*). For starters, strong trust between leaders and employees is essential to improving employee engagement and performance (Qizam et al., 2025).

Employee engagement in achieving business goals enhances organizational benefits through improved employee performance. One effort to realize employee engagement is that leaders can show their loyalty to the organization and provide clarity and transparency regarding employee tasks. For many people, integrity and openness are synonyms of honesty. However, some leaders do not realize that honesty does not only mean stating the truth but also following up on appropriate concerns (Hamdanah & Sholihah, 2023). Second, trustworthiness is crucial for fostering employee engagement and ensuring positive performance outcomes. One way to describe this relationship is through trustworthy communication, which can help leaders better understand and get to know individuals in the organization. A leader must be intelligent because, in addition to carrying out the tasks given, the leader must be able to handle any situation. According to Zaim et al., (2024), Islamic leadership is a good and efficient leadership style in improving employee performance, requiring leaders to possess both emotional and spiritual intelligence. Islamic leadership is a process or ability of other people to direct and motivate the behavior of others, and there are cooperative efforts guided by the Qur'an and Hadith to achieve goals.

By the research topic, identifying the characteristics of Islamic Leadership related to the personality traits of our last prophet, such as honesty, trustworthiness, conveying conveying truth (*Tabligh*), and wisdom (*Fatonah*), are classified by Kazmi & Ahmad (2015) as an indicator for analyzing Islamic leadership. Honesty means conformity of something to the facts. Among them is the term "*rajulun shaduq*" (very honest), which has a deeper meaning than honest. Honesty is characterized by expressing the truth of one's thoughts and feelings and ensuring that the truth is communicated effectively. An honest leader must always be firm in his words and must act on his words. According to Milhem et. al., (2019), an honest leader must always leave a positive and encouraging impression on themselves. They found that an honest personality in leadership is important, especially for increasing employee engagement. *Amanah* signifies trustworthiness and fidelity. One of the important commitments that must be built besides honesty is trustworthiness or commitment to maintaining trust.

Leadership is the ability to influence others. The success of a leader depends on their ability to influence it. In other words, leadership can be interpreted as a person's ability to influence others through direct or indirect communication to move those people to be understanding, aware, and happy to follow the leader's will. An effective leader is someone who has this ability. If the work-centered style or behavior is shown by the leader or manager, it has a positive effect on employee performance (Laiqkafana & Rozikan, 2023). This means that the manager specifically aims to get results and only by motivating employees to give their best in increasing productivity. However, it is also observed that the employee-centered leadership style is very little or minimally shown, and this hurts performance. This may indicate that management acts with strict internal rules to achieve results, and the fact that this practice also does not strengthen the democratic leadership style (Manzoor, 2023).

To achieve optimal employee performance results, an organization usually forms a strategic effort to improve the performance of its employees, therefore, a shift in the work atmosphere, encompassing paradigm, perspectives, mindsets, and behaviours in organizational operations is necessary. Thus, the cultural transformation program in an organization can run well. An organization that has implemented this will have characteristics of change that are very fundamental, strategic, and comprehensive, so that the goals that have been set in the form of a vision and mission can be achieved (Tigre et al., 2022). In

upholding the *Amanah* of leadership, the Prophet Muhammad strictly forbade all leaders from taking anything that is not their right. Trust is closely related to responsibility. A trusted leader is a responsible leader. *Fatonah* (wisdom) includes intelligence in attitude and knowledge, discipline, a proactive attitude, and the ability to make the best decisions. In Islamic leadership, this concept is termed *Fatonah*, which emphasizes high discipline, a proactive attitude, the ability to make wise and rational decisions, and the ability to choose the best options in all aspects of personal and professional life. *Tabligh* involves conveying information accurately; nothing is covered up; everything is transparent, open, and open-minded to accept criticism and suggestions from subordinates. The nature of *Tabligh* can also be interpreted as a communicative, argumentative nature, in its delivery and true with weight in every statement (Taufik, 2023).

Effective communication, as embodied in *Tabligh*, is an essential trait for an Islamic leader. Leaders are required to be open to their employees by implementing good communication to create trust in the leader. Hewitt Associates defines employee engagement as a state in which employees are enthusiastic and knowledgeable, and dedicated to an organization or group, meaning how well and strongly the employee is connected to the organization. Employee engagement plays an important role in organizations to improve individual performance. Employee performance is the result of employee work that meets the requirements (Al Eid et al., 2021). Employee performance can be understood as the totality of output by individuals, including behavior or fulfillment of responsibilities, expected in completing tasks given in the job description. A person's performance is based on the amount of work and behavior they do over a certain period to complete the tasks and obligations given. Performance measurement needs to be carried out to determine whether there are deviations from the predetermined plan at the time of performance implementation or whether performance results have been achieved (Jiang & Shen, 2023).

Ethical leadership refers to the demonstration of normatively appropriate behavior through personal actions and interpersonal relationships, and the promotion of such behavior to followers through communication, reinforcement, and two-way decision making. The indicators of ethical leadership are measured through respecting others, serving others, being fair, honest, and building community. Communication skills are the process of conveying thoughts or feelings by one person to another using symbols that are meaningful to both

parties. In certain situations, communication uses certain media to change the attitudes or behavior of one or several people so that there is a certain expected effect (Godes & Mayzlin, 2004). A leader's success or failure is determined not merely by their personal attributes but by the productivity and satisfaction of their followers. To be an effective leader, a leader must be able to influence others with various types of power combinations so that they are willing to work towards the goals of the organization. This ability to influence will have a very large impact on the organization because it shows that the leader can carry out their role in moving, directing, and coordinating various other factors in the organization to improve organizational performance. About the role of leaders in influencing their followers, an effective leadership pattern is needed that will be applied in the organization to achieve better organizational performance (Hakimi et al., 2018).

Several factors influence performance, including the Islamic leadership style factor. A leader is someone who can provide a vision and a mission in an organization. In addition, a leader is also a determining factor in the success or failure of an organization. A leader is said to be successful when they can manage their agency to anticipate and bring it to its goals within a predetermined time frame. The history of leadership theory explains that the best leadership is a leadership model exemplified in Islam. The leadership model referred to as Prophetic leadership, for example, is the greatest human being in the history of humanity, namely Rasulullah SAW (Budi & Meraj, 2025). Leadership in Arabic is called the caliphate. Islamic leadership in an organization is obtained based on Islamic sources, which are then applied in the organization through Islamic beliefs and practices based on the Qur'an and Sunnah. A spiritually based leader assumes that the world is a journey in planting seeds of goodness that will later be harvested in the afterlife. In leadership, a leader must be able to influence the behavior of subordinates so that they are willing to work together and work productively to achieve organizational goals (Makkulawu et al., 2022).

Effective leadership practices enhance overall leadership quality. Leadership is not just a particular position, but a complex process involving interaction between external leadership and its employee partners in the organizational circle; motivation and a supportive framework are inseparable for effective leadership. Companies need to ensure that managers apply the right leadership style for their employees and the development of organizational performance (Meiyani & Putra, 2019). The leadership applied by leaders varies according to needs so that

it can encourage their subordinates to make the best contribution to the company, with effective leadership being able to improve employee performance. The effectiveness of a good leader's leadership style is when a leader can read the situation faced at any time. Good communication between leaders and employees also greatly influences employee performance. Islamic leadership has a positive influence on employee performance (Retnaningdiah et al., 2023).

METHODOLOGY

This study uses an explanatory study approach with an online survey method for data collection and hypothesis testing. The survey instrument was carefully designed to collect data related to the variables that are the focus of the study. Measurement items were adapted from previous studies, with minor modifications to better suit the context of this study. This study aims to determine and measure the influence of Islamic leadership traits on employee performance with employee engagement as a mediating variable. This study uses a quantitative approach with an explanatory approach that will empirically prove the relationship between exogenous and endogenous variables, or find out whether an endogenous variable can be influenced or not by an exogenous variable (Sugiono, 2016).

technique allows each member of the population to have an equal chance of being selected as a sample, so that the results of the study can be more representative and generalizable. Participation in this study is voluntary, and data collection is carried out through an online survey using Google Forms. Data collection was carried out during July 2024, with a total of 350 respondents. To determine the appropriate sample size, the researcher refers to previous research and sampling theory in quantitative research. This sample size determination is carried out to ensure that the number of samples is sufficient for valid and reliable statistical analysis. Furthermore, the researcher classifies respondents based on gender, age, education level, occupation, and income level (Risher et al., 2019). The data source used in this study is primary data, namely data collected directly by researchers using saturated samples, namely a sample selection technique by making all members of the population into research data samples (Zeng et al., 2021). The data analysis technique in this study is the PLS-SEM method. PLS-SEM is a predictive causal SEM approach that emphasizes

prediction in estimating statistical models, the structure of which is designed to provide causal explanations (Usakli & Rasoolimanesh, 2023).

Data analysis using the Partial Least Squares (PLS) approach. PLS is a Structural Equation Modeling (SEM) is a variance-based SEM approach. PLS is to help researchers for prediction purposes. Partial least squares (PLS) regression is a statistical method that bears some relation to principal components regression and is a reduced rank regression instead of finding hyperplanes of maximum variance between the response and independent variables, it finds a linear regression model by projecting the predicted variables and the observable variables to a new space of maximum covariance (Memon et al., 2021). Its formal model defines latent variables as linear aggregates of their indicators. Weight estimates for latent variable score components are derived from the outer model (measurement model: relationship between indicators and constructs) and the inner model (structural model: relationships between latent variables).

Hypothesis

- H1: The nature of Islamic leadership, *Shidiq*, has a positive effect on employee performance
- H2: The nature of Islamic leadership *Amanah* has a positive effect on employee performance
- H3: The nature of Islamic leadership *Fatonah* has a positive effect on employee performance
- H4: The nature of Islamic leadership *Tabligh* has a positive effect on employee performance.
- H5: Islamic leadership traits *Shidiq*, have a positive effect on employee engagement
- H6: Islamic leadership traits *Amanah*, have a positive effect on employee engagement
- H7: Islamic leadership traits, *Fatonah*, have a positive effect on employee engagement
- H8: Islamic leadership traits *Tabligh* has a positive effect on employee engagement
- H9: Employee engagement has a positive effect on employee performance
- H10: Islamic leadership traits of *Shidiq* have an indirect effect on employee performance through employee engagement
- H11: Islamic leadership traits of *Amanah* have an indirect effect on employee performance through employee engagement
- H12: Islamic leadership traits of *fatolah* have an indirect effect on employee performance through employee engagement

H13: Islamic leadership traits of *tabligh* have an indirect effect on employee performance through employee engagement

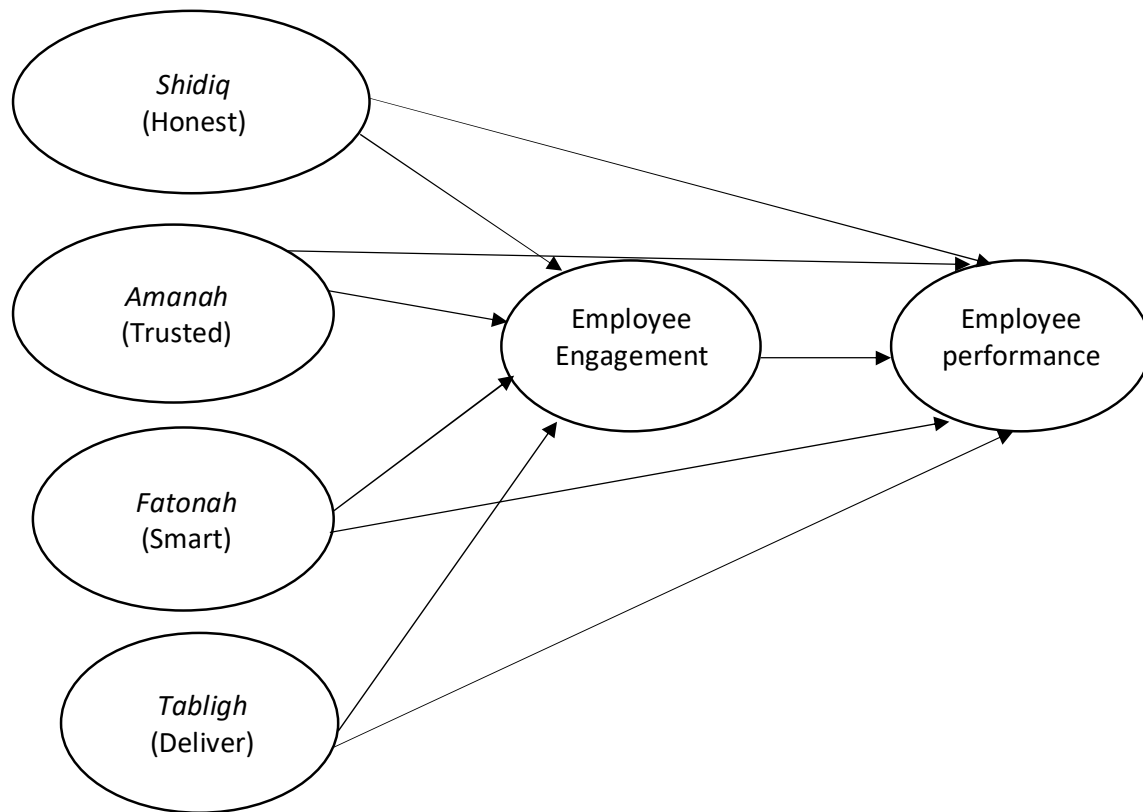


Figure 1. Conceptual Framework

RESULTS AND DISCUSSION

Outer Model Measurement

The purpose of measuring the suitability of the measurement model is to study the reliability and validity of the instrument.

Table 1. Outer Model

Variables	Variable Indicator	Factor Loading	Cronbachs' Alpha	Composite Reliability	AVE
<i>Shidiq</i> (X1)	X1.1	0.939	0.874	0.901	0.802
	X1.2	0.946			
	X1.3	0.793			
<i>Amanah</i> (X2)	X2.1	0.908	0.909	0.914	0.845
	X2.2	0.926			
	X2.3	0.924			

Variables	Variable Indicator	Factor Loading	Cronbachs' Alpha	Composite Reliability	AVE
<i>Fathonah</i> (X3)	X3.1	0.927	0.905	0.906	0.840
	X3.2	0.907			
	X3.3	0.916			
<i>Tabligh</i> (X4)	X4.1	0.906	0.922	0.928	0.865
	X4.2	0.945			
	X4.3	0.938			
Employee performance (Y)	Y1	0.900	0.878	0.881	0.804
	Y2	0.921			
	Y3	0.867			
Employee Engagement (Z)	Z1	0.833	0.836	0.843	0.753

Data source: Data processed by the author, 2025

Composite Reliability

The reliability of a variable can be measured by composite reliability, with the provision that a value above 0.7 is considered reliable. In Table 2, all values are above the threshold value of 0.7, meaning that all variables tested in this study are reliable.

Significant Factor Loading

The feasibility of the model can be stated if the factor loading of all predictors in each variable is > 0.7 . If the value is below 0.7, it should be removed from the model. In the results of SEM-PLS management, all factor loading values on all indicators in each variable have values above 0.7. This means that all variable indicators can be used in this study.

Convergent Validity

Convergent Validity is the extent to which constructs converge to explain item variance. The metric used to evaluate the construct of convergent validity is the average variance extracted (AVE) for all items in each construct. According to Hair, et., al (2019), to calculate AVE, we must square the loading of each indicator on a construct and calculate its mean value with an acceptable AVE value of 0.50. All variables tested in the study are acceptable because they show AVE results above 0.50.

Inferential Model and Hypothesis Testing

The structural model helps to understand and analyze the complex relationships of variables. The structural model is also tested and run on Smart PLS. The structural model is

run through bootstrapping. A snippet of the results after running the test is attached below, along with the interpretation of the results. In this process, a large number of sub-samples are taken from the original sample with replacement. After running the bootstrap routine, Smart PLS shows the t value for the structural model estimate obtained from the bootstrap procedure. The path coefficient results for all hypotheses are shown in the following table.

Table 2. P-Value Table

Hypothesis	T- Statistik	P- Value	Decision
H1: The Islamic Leadership Traits of <i>Sidiq</i> have a positive influence on employee performance	3.228	0.001	Accepted
H2: The nature of Islamic leadership that is trustworthy has a positive influence on employee performance	0.512	0.304	Rejected
H3: <i>Fatonah's</i> Islamic Leadership Traits Have a Positive Influence on Employee Performance	2.447	0.007	Accepted
H4: The nature of <i>Tabligh</i> Islamic Leadership has a positive influence on employee performance	2.805	0.003	Accepted
H5: The Islamic Leadership Traits of <i>Sidiq</i> have a positive influence on employee engagement	2.318	0.010	Accepted
H6: The Islamic Leadership Trait of <i>Amanah</i> has a positive influence on employee engagement.	0.128	0.449	Rejected
H7: <i>Fatonah's</i> Islamic Leadership Traits Have a Positive Influence on Employee Engagement	0.700	0.242	Rejected
H8: The nature of <i>Tabligh</i> Islamic Leadership has a positive influence on employee engagement	1.334	0.091	Rejected
H9: Employee Engagement has a positive effect on employee performance	4.883	0.000	Accepted
H10: The Islamic Leadership Traits of <i>Shidiq</i> have an indirect influence on employee performance through employee engagement	2.032	0.021	Accepted
H11: The nature of Islamic leadership has an indirect effect on employee performance through employee engagement	0.121	0.452	Rejected
H12: The nature of Islamic leadership has an indirect influence on employee performance through employee engagement	0.673	0.251	Rejected
H13: The nature of <i>Tabligh</i> Islamic Leadership has an indirect effect on employee performance through employee engagement.	1.214	0.112	Rejected

Data source: Data processed by the author, 2025

Table 2 shows that there is a direct influence of Islamic leadership traits, *shidiq*, on employee performance and employee engagement because the t value is above 2. Likewise,

if you look at the p-value with both relationships, it is also less than 0.05. Therefore, both hypotheses H1 ($0.001 < 0.05$) and H5 ($0.010 < 0.05$) can be accepted. Likewise, if you look at the p-value of Islamic leadership traits, *shidiq* on employee performance through employee engagement as a mediating variable, it also has a value of less than 0.05, and employee engagement can affect employee performance with a p-value of $0.000 < 0.05$. So H9 and H10 are also accepted with a p-value of H10 $0.021 < 0.05$.

The results of the study, on the other hand, indicate that there is no influence of Islamic leadership traits, *amanah* directly on employee performance and employee engagement, because the t value of both relationships is below 2, and the p-value of H2 is $0.304 > 0.05$ and H6 $0.449 > 0.05$. Therefore, H2 and H6 in this study are rejected because they do not meet the criteria. Employee engagement as a mediating variable also cannot indirectly influence the Islamic leadership trait: Amanah on employee performance, with a p-value of $0.452 > 0.05$, meaning that H11 is also rejected in this study. Likewise, Table 2 also shows that Islamic leadership traits *fathonah* have a positive effect on employee performance because the t-statistic is above 2 and the p-value is 0.007, meaning that H3 is accepted because the p-value is below 0.05.

However, the nature of Islamic leadership *fathonah* cannot affect employee engagement because the resulting p-value is $0.242 > 0.05$ and cannot affect performance indirectly through employee engagement with a p-value of $0.251 > 0.05$. So, this study says that H7 and H12 are not accepted. The nature of Islamic leadership *tabligh* as the last exogenous variable also shows that it can affect employee performance directly, with a p-value of $0.003 < 0.05$. While employee engagement cannot be influenced by the nature of Islamic leadership *tabligh* because the resulting p-value is $0.091 > 0.05$. Table 2 also shows that the nature of Islamic leadership *tabligh* cannot affect employee performance indirectly through employee engagement, with a p-value of $0.112 > 0.05$. So, the accepted hypothesis is H4, while H8 and H13 are rejected.

As shown in Table 2, the Cronbach's Alpha and composite reliability values for all latent variables exceed 0.70, indicating good reliability for the constructs. Thus, all latent variables have good reliability and meet the specified requirements. Data that has composite reliability > 0.70 has high reliability. Cronbach's alpha is a reliability test that reinforces the results of composite reliability

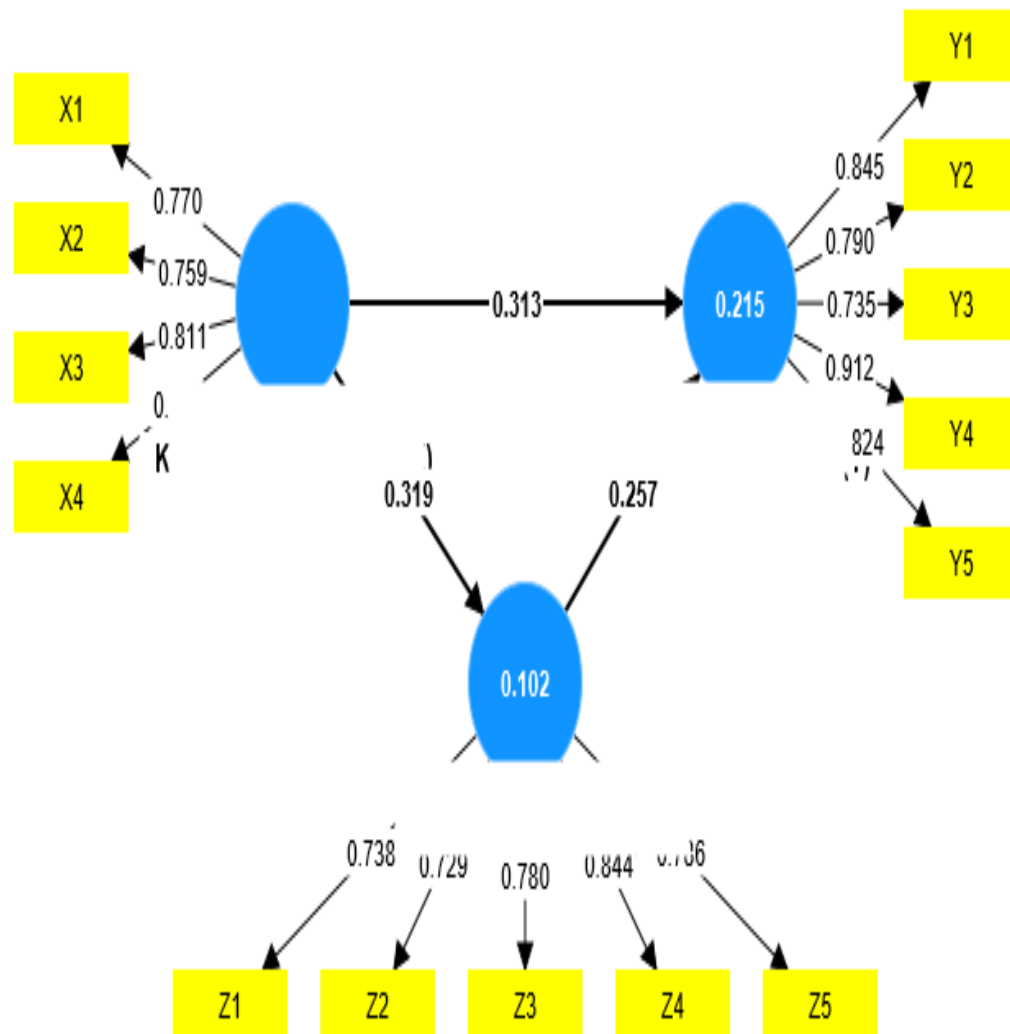


Figure 2. PLS Result

Data source: Data processed by the author, 2025

Based on the figure 2, there are variables that do not have a direct influence, namely Islamic leadership variables, where these variables do not directly affect employee performance. There is a variable influence that can mediate Islamic leadership, namely intrinsic and extrinsic motivational variables. The model above is called the path coefficient which indicates the magnitude of the direct influence of a variable that affects the variable that is influenced or can be said from an exogenous variable to the endogenous variable. The path coefficient is a standard regression coefficient (standard z) that shows the influence of exogenous variables on endogenous that has been arranged path diagram.

Hypothesis Testing

Based on the data that has been done, the results can be used to answer the hypothesis in this study. The hypothesis test in this study was carried out with a combination of t-statistics values and p-values. The effect between variables is significant if the calculated t-value is greater than (t-table significant 5%) 1.96. The hypothesis can be declared accepted if the P-Value value < 0.05 . The basis for testing the hypothesis directly is the output or value contained in the output path coefficients and indirect effects. The structural model testing is used to explain the relationship between research variables.

a. Live Testing

Table 3. Path Coefficients

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STEDEV)	P Values
Islamic Leadership => Employee Performance		0.139	0.213	0.342	0.763	0.354
Leadership => Extrinsic		0.703	0.724	7.891	7.831	0.000
Leadership => Intrinsic		0.671	0.531	0.087	7.872	0.000
Motivation Extrinsic Motivation => Employee Performance		0.752	0.732	0.198	4.872	0.000
Motivation Intrinsic Motivation => Employee Performance		-0.001	0.009	0.320	0.007	0.884

Data source: Data processed by the author, 2025

Based on Table 3 above shows the results of testing directly between variables, which are as follows:

1. Islamic Leadership has a T-statistic value of $0.763 < 1.96$, this shows that Islamic Leadership does not directly affect Employee Performance.
2. Islamic Leadership has a T-statistic value of $7.831 > 1.96$, this shows that Islamic Leadership has a direct effect on Extrinsic Motivation.
3. Islamic leadership has a T-statistic value of $7.872 > 1.96$, this shows that Islamic leadership has a direct effect on intrinsic motivation.

4. Extrinsic Motivation has a T-statistic value of $4.872 > 1.96$, this shows that Extrinsic Motivation has a direct effect on Employee Performance.
5. Intrinsic Motivation has a T-statistic value of $0.007 < 1.96$, this shows that Intrinsic Motivation does not directly affect Employee Performance.

b. Indirect testing

Table 4. Specific indirect effect (Mediation Effect)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T statistics (O/STEDEV)	P Values
Islamic Leadership => Employee Performance	0.138	0.243	0.442	4.863	0.654
Leadership => Extrinsic	0.803	0.824	6.891	8.831	0.000
Leadership => Intrinsic	0.871	0.931	0.077	7.672	0.000
Motivation Extrinsic Motivation =>	0.852	0.632	0.398	6.872	0.000
Employee Performance					
Intrinsic Motivation =>	-0.001	0.008	0.520	0.005	0.993
Employee Performance					

Data source: Data processed by the author, 2025

Based on Table 8 above shows that there is a mediating effect between Islamic Leadership on Employee Performance through Extrinsic Motivation mediation variables. This is indicated by the T-statistic value of $4.863 > 1.96$ and the P value of $0.654 < 0.05$. This shows an indirect influence where in direct testing in table 8 there is no influence. The variables of Islamic Leadership on Employee Performance through Intrinsic Motivation showed T-statistic values of $0.005 < 1.96$, and P values of $0.995 > 0.05$.

DISCUSSION

The Influence of Islamic Leadership on Employee Performance

This study shows that Islamic leadership traits can have a significant effect on employee performance directly, without employee engagement as a mediating variable. There are four Islamic leadership traits: *Shidiq*, *Amanah*, *Fatonah*, and *Tabligh*. When we discuss its direct

influence on employee performance, it has a positive impact except for *amanah*. This was also found in the study. Only *Amanah* was found not to affect employee performance because trust is sometimes not reflected in the behavior of the leader, so it can confuse respondents. This shows that Islamic leadership traits are essential for employee performance.

Theoretically, Islamic leadership aims to integrate rational excellence (as Allah's vicegerent) and emotional and spiritual balance (as Allah's servant) through spiritual ownership and rational awareness of leaders. In addition, Top et al., (2020) found that spiritual values can provide added value to organizational performance. Investigated the culture of spirituality in the workplace, which significantly affects employee public service motivation. As stated by several previous studies Febriani, et al., (2017) revealed that Islamic Leadership has a significant influence on employee performance. The leadership applied is based on the four exemplary traits of the prophet.

According to Jasni & Sharip, (2022) also found a positive relationship was found between leadership according to Islamic values and team-level performance based on data collected from Northern Iraq. Found that spiritual values can provide added value to organizational performance. On the other hand, based on these findings, there is a difference in the influence of Islamic leadership traits on employee engagement; only Islamic leadership trait, *Shidiq*, can affect employee engagement. These results differ from previous studies, which revealed that all Islamic leadership traits can increase employee engagement. In improving the quality and performance of the company, the company needs to improve several things, including leadership and employee work motivation. Good leadership can actively influence employees in achieving company goals (Aulia et al., 2020).

The relationship between leaders and employees can create a harmonious situation that creates good cooperation in achieving company goals. Leadership style emphasizes the importance of a leader in creating a vision, work environment, and motivating employees to do their best. Islamic leadership is a person's ability to influence others to engage in certain activities based on Islamic principles. Islamic leadership is almost identical to conventional leadership, apart from religion, morals, and humanity. The indicators include: trust, employee orientation, self-reflection, and patience. With leadership, employees gain trust and respect from their colleagues, and they are motivated to do better. In addition to leadership,

motivation is also an important factor in improving employee performance (Dianingrum et al., 2024).

The impact of leadership includes that employees will have trust, loyalty, admiration, and respect for the leader, so that employees will be more motivated to carry out their responsibilities much better than expected. Leaders always try to help employees carry out their work by following the established guidelines, such as increasing employee satisfaction. Islamic leadership is the ability of an individual to influence someone to want to do activities with personal characteristics that are close to Islamic principles, so that the authority he has has a further effect on subordinates or staff. Islamic leadership is a natural trait for every Muslim (Supriani et al., 2024). Because humans become Allah's vicegerents on earth (QS. Al-Baqarah: 30). The concept of leadership in the Qur'an is very fundamental because it relates to managing relationships between fellow humans and the universe. Leadership is the ability that someone has to inspire, motivate, and enable others to contribute to the effectiveness and success of the organization.

So, leadership involves a deep relationship of influence actively between leaders and employees to achieve the desired goals together. According to Engidaw (2021), there are four indicators of Islamic leadership, namely Trust or integrity, employee orientation, *Muhasabah* (retrospection), and patience. The factors that influence Islamic leadership are piety to Allah, honesty and morality, ability and breadth of knowledge, concern for people or subordinates, inspiration for others, patience, humility, and willingness to deliberate (Hadziahmetovic & Salihovic, 2022). The basis of Islamic leadership in the Qur'an is faith (Qur'an 3:28), Devotion (Qur'an 78:31), Principles of Balance and Justice, and Deliberation (Qur'an 26:38). A leader must have several characteristics, including: 40 being knowledgeable and creative (Qur'an 58:11), being fair and honest (Qur'an 4:58), being Responsible (Qur'an 6:164), Selective in information (Qur'an 49:6), Give a warning (Qur'an 51:55), give direction (Qur'an 32:24).

The Influence of Islamic Leadership on Employee Engagement

Several findings indicate that Islamic leadership has a direct positive effect on employee engagement. This is by the arguments put forward by those who say that a leader who applies Islamic principles will have a positive impact on employee engagement (Kazmi & Ahmad, 2015). Research by Laiqafana & Rozikan (2023) also shows that the results of structural

equation modeling of Islamic leadership style, measured by honesty, trustworthiness, advocacy, and wisdom, have a significant effect on employee engagement. In addition to Islamic leadership that can improve employee performance, there is another factor, namely, employee engagement. The results of the study show that employee engagement has a positive effect on employee performance in several previous studies. Employee Engagement can improve employee performance, which is manifested in employee behavior with positive emotions, such as happiness and joy (Manzoor, 2023). Employees who are happy with their work will work better.

This has also been stated by several researchers Budiyono et al., (2020), who revealed that employee engagement affects employee performance. Employees who have a positive, meaningful, and motivated attitude, which is indicated by high enthusiasm, loyalty, and enjoyment, will make employees have high performance, a willingness to devote themselves to the organization, and a willingness to strive to achieve high performance in the organization. Job engagement can significantly show employee integration with the company, because the more integrated with their work, the more involved they will be and spend more time on their work (Jumaing et al., 2017). Therefore, there is a relationship between job engagement and employee intention to leave their job, which can be seen from the research Aldhaferi & Ahmad, (2024) which states that job engagement has a significant effect on turnover intention, which means that if an employee's job engagement is high, then an employee can correctly recognize their job, pay attention to the type of work done, their attendance rate is high, and employee turnover intention is also low. Employees also do not use their free time to complete their work, but relax and chat with other employees, and feel burdened by the tasks given because they cannot complete the tasks on time.

According to Walid et al., (2025), job engagement is where an individual is cognitively bound, participates in it, and cares about a job. Job engagement has a definition, namely the degree to which people are known for their work, actively participate in it, and consider their achievements important to their self-esteem. Job engagement is the level at which employees are psychologically involved in their work or the importance of work to their lives. Job engagement is the level at which a person associates himself with his work and actively participates in it, and considers his work valuable to him. Employee engagement makes them feel appreciated, more responsible, feel ownership, and prouder, so they will try hard to

improve their performance. Employees with a high level of job engagement will actively associate themselves with the work they do and are truly enthusiastic about doing it (Sodiq et al., 2024).

Whereas if an employee is fully involved in his work, then the employee will be fully energized and focused on doing his work. According to Astuti et al., (2020), job engagement can significantly show employee integration with the company, because the more integrated with their work, the more involved the employee will be and spend more time on their work. This can be seen from employees who rarely come late, are willing to work overtime, innovate for their company, behave positively in their work, are creative, enthusiastic in every company activity program, and are proud to be part of the company. The study by Basalamah et al., (2018) shows that Islamic leadership traits can indirectly influence employee performance through employee engagement as a mediating variable. The results of the study by Amelia et al., (2022) differ from this study because only *Shidiq's* traits can indirectly influence employee performance, while the other three exogenous variables show that *Amanah*, *Fatonah*, and *Tabligh* cannot influence employee performance through employee engagement (Lasmiatun & Manteghi, 2025).

CONCLUSION AND SUGGESTIONS

Leadership is important in a company to achieve company goals by increasing employee productivity at work. Several abilities must be possessed by an Islamic leader, namely, as a role model, he must provide the right example for company or individual followers honestly through his actions, role performance, and words. Providing clear directions while listening and accepting input from employees is very important to improve employee performance. Leaders must also have intelligence in solving all problems that occur in the company. In summary, the attributes of Islamic leadership in the form of truthfulness (*Shidiq*), trustworthiness (*Amanah*), wisdom (*Fatonah*), and conveying the truth (*Tabligh*) are important factors in increasing employee engagement and employee performance in the company.

Involved employees have a deeper sense of responsibility towards organizational leadership and direction, so that they provide productive performance. Employees who have high engagement not only show strong commitment and make extra contributions, but also

show great loyalty to their company, reducing their tendency to leave the company voluntarily. Meanwhile, the role of leaders has the greatest impact on the level of engagement and performance of their staff.

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