The effect of Islamic visionary leadership on organisational commitment and its impact on employee performance

This study aims to examine the effect of Islamic visionary leadership on organisational commitment and its impact on employee performance. This study uses explanatory quantitative research on 20 state-owned enterprises (BUMN) in the food and technology cluster in Indonesia, with 85 respondents who were processed using the structural equation modelling (SEM) with partial least square (PLS) (SEM-PLS) approach. The results of the study indicate that Islamic visionary leadership directly influences organisational commitment to the organisation in the food and technology cluster state-owned enterprises in Indonesia; Islamic visionary leadership directly influences employee performance in the food and technology cluster BUMN companies in Indonesia; Islamic visionary leadership indirectly influences employee performance through organisational commitment in the technology and food cluster BUMN companies in Indonesia; and organisational commitment affects employee performance in the technology and food cluster BUMN in Indonesia, Jakarta.

Contribution: The results of this study show that the application of Islamic teachings in the leadership of organisations can improve organisational commitment and the performance of employees in the organisation in an Islamic context.

Keywords: Islamic visionary leadership; organisational commitment; employee performance; Islamic context; food and technology.

Introduction

Employee performance shows the ability of employees to carry out all the tasks that are their responsibility. The success of an organisation is dependent on the good and bad performance of the organisation. Organisational performance depends on employee performance, where each employee plays a significant role in the running of a company or institution. Good performance of employees will have a direct impact on the success and failure of a company or agency (Pulungan, Zainuddin & Dian 2019).

Organisations that are successful in achieving their goals and being able to fulfil their responsibilities are highly dependent on leaders. If the leader is able to carry out his or her responsibilities well, it is very likely that an organisation will achieve its goals. An organisation needs an effective leader who has the ability to influence the behaviour of its employees. In addition, employees must also have motivation and a high level of discipline in achieving success and the desire to achieve optimal results. In accordance with the theory mentioned by Kasmir (2016), there are several factors that influence employee performance, namely abilities and expertise, knowledge, work design, personality, work motivation, leadership, leadership style, organisational culture, job satisfaction, work environment, loyalty, commitment and work discipline.

Ethics and moral principles are among the topics that are emphasised in the application of Islam in society, so that the Prophet of Islam has introduced the purpose of his mission to perfect moral virtues. Therefore, ethics as a set of values, do’s and don’ts can play an important role in the effective management of organisations. Discipline, kindness, justice, constructive association, counselling, humility, covenant fulfilment, service and tolerance are among the desirable ethical methods emphasised by Islam in the management of organisations. To achieve these goals, it is necessary to develop a code of ethics and implement it in organisations. In this sense, by creating executive assurances and instituting ethical behaviour in organisations, ethics and ethical
principles can be strengthened in the organisation, which if realised will reduce discrimination, injustice and dissatisfaction while increasing organisational morale and employee commitment. Meanwhile, growth and excellence of human beings will lead to the growth of organisations and the development of society.

If we consider the religion of Islam as a set of practical beliefs and instructions which, according to the claimant and the followers of those beliefs and instructions (the Prophet of Islam and Muslims), are from the creator of the world, and morality as a set of teachings that lead the way of living properly. Interestingly, revealing what can and should not be done from the values that govern human behaviour, we will understand the close relationship between religion and morality, and we will consider morality as an inseparable part of religion. Therefore, talking about the ethics attributed to Islam is proper, discussing the moral system of Islam is justified and talking about the general structure governing this system is something worth pondering and thinking about.

Performance appraisal is basically a key factor in developing an organisation effectively and efficiently because of better policies or programmes for human resources in the organisation. Individual performance appraisal is very useful for the growth of the organisation as a whole; through this, the employee’s performance can be assessed. Employee performance improvement is based on successful implementation of Islamic visionary leadership, personality, work environment and organisational commitment.

One of the factors that influence performance is leadership style, such as the Islamic visionary leadership style. It is needed to advance an organisational institution, both in government agencies and private companies. An Islamic visionary leader has a clear vision and mission in the organisation; Islamic visionary leaders are very smart in observing future events and can describe their vision and mission clearly. Leaders can raise the spirits of their employees by using their motivation and imagination to make an organisation more alive and to move all the components in the organisation so that the organisation can continue to grow.

If Islamic visionary leadership style is applied in organisational institutions, both government agencies and private companies will succeed because Islamic visionary leadership has high integrity and is an example of good leadership for the future. Islamic visionary leaders can also protect their subordinates well if there are difficulties. The failure of an organisation is caused by a leader because he or she cannot formulate his or her vision into the mission of his or her organisation, and most organisations are not responsible for the vision and mission made by the leader of the organisation. This is supported by the results of previous research, namely Kurniadi, Lian and Wahidu (2020), suggesting that Islamic visionary leadership has a positive and significant effect on employee performance. Furthermore, research by Miharja and Hayati (2021) stated that Islamic visionary leadership has a positive and significant effect on employee performance. In addition, Saba, Ali and Dan Ahmer (2016) explained that Islamic visionary leadership has a positive and significant effect on employee performance. Research by Shahab and Nisa (2014) suggested that Islamic visionary leadership has a positive and significant effect on employee performance. Research by Shanti, Imam and Dan Ahmad (2020) supported that Islamic visionary leadership has a positive and significant effect on employee performance. Likewise, research by Wang, Shieh and Dan Tang (2010) stated that Islamic visionary leadership has a positive and significant effect on employee performance. By accepting the position, it is considered that one accepts the public’s trust and it is haram to accept the obligatory trust and betray it: God commands a leader to trust in the people (Surah An-Nisa, verse 58). Whether material or spiritual, for a real person or legal entity, every person is responsible for doing certain work that is permissible for a certain obligation, and if they deliberately refuse to do so, the rights they receive are haram. Also, it is haram if he or she wants to take money from the client to violate the rights of others or to realise the falsehood and invalidation of rights or if he or she has done something that is prohibited. One should not spend one’s wealth in vain, which is outside the axis of religion and divine law, and one should not deliberately give them to judges and rulers in order to seize some property and the rights of others through this forbidden act.

The Holy Quran, the Sunnah of the Prophets and the behaviour of the Imams are the main sources of moral codes and moral models, so conducting research on the Islamic work ethic, reviving the use of the Islamic work ethic and creating Islamic ethical models in international business is very important. Currently, research on the Islamic work ethic in Islamic countries is underway which seeks to revive the Islamic work ethic in accordance with the golden age of Islam in the 4th and 5th centuries AH [anno hegirae]. Consequently, research on the Islamic work ethic and its impact on job performance is a topic that needs further explanation; therefore, the purpose of this study is to investigate this issue. Explaining the importance of this research, it should be said that because the employees of various organisations are an important part of the active force of society and as a result of the nature of their job, which is related to ethical issues, the need for research is felt in government organisations. Therefore, explaining the effect of Islamic work ethic on employees’ job performance can be a great guide for managers to improve the effectiveness of their employees’ work activities by institutionalising a work ethic. As the effects of the Islamic work ethic on individual and organisational variables and especially individual job performance in the organisation have not been studied so far, the role of job satisfaction mediation and organisational commitment in the relationship between Islamic work ethic and job performance were considered in this research.
**Literature review**

**Islamic visionary leadership**

Ansar (2017) argued that Islamic visionary leadership is the art of a leader to influence or encourage others to create and articulate a realistic, credible and attractive vision of the future that can improve current circumstances. Goleman (2004) supported the view that Islamic visionary leadership is a leadership pattern that seeks to move people towards a shared dream with the most positive emotional climate, and it is most appropriate to use when change requires a new vision or when it requires clear direction. According to Bennis (Sinamo & Santosa 2012:217), ‘the first basic ingredient of leadership is a guiding vision’. Every leader should have a clear view of what he or she wants to do. Likewise, Syarif and Lina (2019) expressed that Islamic visionary leadership is an effort to influence others in achieving organisational goals based on the vision that has been set effectively with the dimensions of setting superior standards and reflecting high ideas, clarifying goals and directions, generating enthusiasm and maintaining commitment, effective communication, reflecting the uniqueness of the organisation and using different competencies and ambition. Similarly, Kippenberg and Stam (2014) described Islamic visionary leadership as the leader’s communication about the future vision for teams and organisations to persuade others to contribute to the realisation of that future. Furthermore, Kurniadi et al. (2020) suggested that Islamic visionary leadership can be defined as the ability of a leader to create, transform and implement his or her ideal thoughts.

Based on the given explanation, it can be concluded that Islamic visionary leadership is the style of a leader who places more emphasis on organisational members to contribute and focus on achieving the vision and picture of the company’s future so that organisational members are clearly directed. With Islam’s emphasis on justice, honesty and generosity, as well as the views of the Qur’an and the Prophet and the Imams on earning a lawful living and obliging Muslims to engage in economic work, the importance of work ethic in Islam is worth considering. But unfortunately, in our society, despite the many emphases, less attention has been paid to work ethic. While in some countries it has been considered an important issue in management, by reviewing previous articles and researches, this study shows that Islamic work ethic has positive effects on both job satisfaction and organisational commitment. Explaining its effects can be a good guide for managers to improve the effectiveness of their employees’ work activities by institutionalising an Islamic work ethic.

**Organisational commitment**

Syarif and Lina (2019) stated that organisational commitment reflects the strength of employees in identifying self-involvement into organisational parts, characterised by acceptance of the values and goals of the organisation, readiness and willingness to fight earnestly on behalf of the organisation and the desire to maintain membership in the organisation. In addition, Dharmawan (2013) explained that organisational commitment is the desire of employees to maintain membership in the organisation and willingness to do business for the achievement of organisational goals. McDonald (2008:84–91) stated that organisational commitment is a psychological agreement signed between people and organisations. In conclusion, organisational commitment is related to the strong desire of employees in the form of active involvement and participation in the organisation, cognitive and affective. Likewise, Kreitner and Kinicki (2014) revealed that organisational commitment is the extent to which a person knows the company and its goals. As shown in Newstorm (2007:207), the organisational commitment is the level or degree of self-identification of employees with the organisation and their desire to continue their active participation in the organisation. Luthans (2008:142) explained that organisational commitment is a strong desire to remain a member of the organisation, the desire to demonstrate a high level of business on behalf of the organisation and a strong belief in accepting the values and goals of the organisation.

Based on the given explanation, it can be concluded that organisational commitment is the extent to which employees believe in the organisation by involving themselves emotionally and psychologically with a view to assisting the organisation in achieving its goals.

**Employee performance**

Colquitt, Lepine and Wesson (2015:33) stated that employee performance is a set of values from employee behaviour that contribute both positively and negatively to the achievement of organisational goals. Furthermore, Gibson, Ivancevich and Donelly (2012:374) argued that employee performance is a set of work outputs related to organisational goals such as quality, efficiency and effectiveness. In addition, Deddy and Veithzal (2011) explained that performance is oriented to each person or employee with respect to their achievements in the company.

Based on this discussion, it can be concluded that employee performance is a set of assessments of employee behaviour and actions in providing good contributions and outputs for the progress of the organisation.

**Theoretical framework**

Yates et al. (2018) explained in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the organisation. Basri, Dewi and Purba (2021) stated in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the organisation. Isma et al. (2018) stated in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the organisation. Kesumayani et al. (2020) revealed in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the
organisation, supported by Pulungan et al. (2019) in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the organisation. Likewise, Syarif and Lina (2019) stated in their research that Islamic visionary leadership has a positive and significant impact on employee commitment to the organisation.

Kurniadi et al. (2020) suggested that Islamic visionary leadership has a positive and significant effect on employee performance. Research by Miharja and Hayati (2021) stated that Islamic visionary leadership has a positive and significant effect on employee performance. Furthermore, Saba et al. (2016) explained that Islamic visionary leadership has a positive and significant effect on employee performance. Research by Shahab and Nisa (2014) suggested that Islamic visionary leadership has a positive and significant effect on employee performance, supported by research by Shanti et al. (2020) that Islamic visionary leadership has a positive and significant effect on employee performance. Likewise, research by Wang et al. (2010) stated that Islamic visionary leadership has a positive and significant effect on employee performance.

Hendri (2019) in his research stated that organisational commitment has a positive and significant effect on employee performance. Marie, Zhen and Xiong (2004) showed that organisational commitment had a positive and significant effect on employee performance. Then, research by Eliyana, Syamsul and Muzakki (2019) stated that there is an influence between transformational leadership, job satisfaction on organisational commitment and its implications on employee performance. Furthermore, research by Chen, Anne and Farh (2002) explained that employee organisational commitment has more influence on employee performance than loyalty to supervisors. The same thing was revealed by the research of Chen and Francesco (2001), that there is an influence between organisational commitment and employee performance. Cesario and Chambel’s research (2017) explained that the higher the employee’s commitment to the organisation, the easier it is to achieve an increase in employee performance. Then research by Astuty and Udin (2020) stated that employee commitment to the organisation can practically improve employee performance. Also, research by Arifinaet al. (2019) showed that employees need to have high organisational commitment to achieve significant performance improvements.

Methodology
This study used a quantitative method with an explanatory approach. The population in this study were employees of the technology and food cluster BUMN companies in Indonesia. The number of samples was 20 BUMN companies in the technology and food cluster in Indonesia with 85 respondents, where the sample was obtained based on the rule of thumb from the statistical analysis used. The data collection technique in this study was a questionnaire using a Likert scale. Data were analysed using structural equation modelling (SEM) with a partial least square (PLS) approach. The hypotheses in this study are shown in Table 1.

Some of the barriers are related to managers and human resources of organisations. A number of them returned to the organisational structure and although some obstacles are outside the organisation, they affect the organisation. Barriers to human resource managers include lack of a strategic approach to professional ethics, being delivery-oriented, being stingy versus fiduciary, projected and paradoxical to one’s condition, rivalry and misrepresentation of competitors, instrumental customer orientation, lack of motivation or job dissatisfaction, communication behaviour patterns, lack of decision-making skills and moral uncertainty. Organisational barriers are a lack of participatory management, a lack of a comprehensive ethical system of employment, a lack of comprehensive and ethical systems of payment, physical and psychological barriers of the workplace, barriers to organisational training, regulatory gaps, a lack of multidimensional ethical charters, a lack of comprehensive and ethical systems of supervision and evaluation, organisational culture (threat or opportunity), informal organisations (slide or ladder), a lack of conflict management and a lack of information systems. Obstacles to the external environment include industrial governance, socio-cultural barriers, laws against morality, economic barriers, political barriers, technological barriers and global barriers.

Results
The aim of this study was to investigate the effect of Islamic work ethic on individual job performance by considering the mediating role of organisational commitment and job satisfaction among employees. In the first part, the validation of the results is investigated by model evaluation.

Validity and reliability
From Table 2 it can be seen that the data that have been processed using the Wrap-PLS application shows convergent validity in the study, showing that each variable has a loading factor value above 0.5, which means that the questionnaire instrument used in this study is valid and represents the condition of the Islamic visionary leadership variables of organisational commitment and employee performance. Table 2 shows that the average variance extracted (AVE) value is greater than 0.5, which means that this research questionnaire has met discriminant validity. In addition, the

<table>
<thead>
<tr>
<th>No.</th>
<th>Direct Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Islamic visionary leadership has a direct influence on organisational commitment</td>
</tr>
<tr>
<td>H2</td>
<td>Islamic visionary leadership has a direct influence on employee performance</td>
</tr>
<tr>
<td>H3</td>
<td>Islamic visionary leadership has an indirect influence on employee performance through organisational commitment</td>
</tr>
<tr>
<td>H4</td>
<td>Organisational commitment has a direct influence on employee performance</td>
</tr>
</tbody>
</table>
variables from Table 2 have met the composite reliability, where the value is more than 0.70, which means that the research is feasible to continue in the hypothesis testing process.

Hypothesis testing

Table 3 shows that the t-test value in hypothesis 1 is greater than t-table 1.96, which means that there is a significant influence between Islamic visionary leadership and organisational commitment. Then the results of the t-test on hypothesis 2 are also greater than t-table 1.96, which means that there is a significant influence between Islamic visionary leadership and employee performance. The results of the t-test on hypothesis 3 are also greater than t-table 1.96, which means that there is a significant relation between organisational commitment and employee performance.

Islamic visionary leadership has an indirect influence on employee performance through organisational commitment. It can be seen from Table 4 that there is a path coefficient of 0.403052 for the indirect effect of Islamic visionary leadership on employee performance through organisational commitment. Based on the calculation results and hypothesis testing, it can be concluded that Islamic visionary leadership has a significant influence on employee performance in this study, which means that leaders who have a Islamic visionary leadership style can improve their performance.

H3: The effect of Islamic visionary leadership on employee performance

Islamic visionary leadership has an indirect influence on employee performance through organisational commitment, which means that leaders with Islamic visionary leadership style can foster a sense of commitment and performance in employees. This study supports the research results of Kurniadi et al. (2020), Miharja and Hayati (2021), Saba et al. (2016), Shahab and Nisa (2014), Shanti et al. (2020) and Wang et al. (2010), who explained that Islamic visionary leadership can improve employee performance.

H4: The effect of organisational commitment on employee performance

Organisational commitment has a direct influence on employee performance, which means that employees who have a high level of commitment to the organisation will do a good job, so that their performance increases. This research supports the results of Hendri’s (2019) research, agreeing with Marie et al. (2004), Eliyana et al. (2019), Chen et al. (2002), Chen and Francesco (2001), Cesario and Chambel (2017), Astuty and Udin (2020) and Arifina et al. (2019) that there is a significant relation between organisational commitment and employee performance.

TABLE 2: Evaluation of the model to determine the validity and reliability of constructs.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Subvariables</th>
<th>Cross-loading</th>
<th>Composite reliability (CR)</th>
<th>Average variance extracted (AVE)</th>
<th>Critical value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic visionary leadership</td>
<td>Understanding the concepts of vision</td>
<td>0.773</td>
<td>0.633</td>
<td>0.863</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Understanding the characteristics and elements of a vision</td>
<td>0.763</td>
<td>0.690</td>
<td>0.831</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Understanding the purpose of the vision; a good vision has a main goal</td>
<td>0.753</td>
<td>0.634</td>
<td>0.889</td>
<td>1.0000</td>
</tr>
<tr>
<td>Organisational commitment</td>
<td>Affective commitment</td>
<td>0.798</td>
<td>0.676</td>
<td>0.868</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Continuing commitment</td>
<td>0.792</td>
<td>0.612</td>
<td>0.869</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Normative commitment</td>
<td>0.712</td>
<td>0.685</td>
<td>0.878</td>
<td>1.0000</td>
</tr>
<tr>
<td>Employee performance</td>
<td>Quality of work</td>
<td>0.777</td>
<td>0.685</td>
<td>0.821</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Job quantity</td>
<td>0.732</td>
<td>0.628</td>
<td>0.842</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Work knowledge</td>
<td>0.743</td>
<td>0.630</td>
<td>0.844</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Teamwork</td>
<td>0.756</td>
<td>0.666</td>
<td>0.831</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Creativity</td>
<td>0.766</td>
<td>0.677</td>
<td>0.897</td>
<td>1.0000</td>
</tr>
<tr>
<td></td>
<td>Innovation and initiative</td>
<td>0.788</td>
<td>0.631</td>
<td>0.873</td>
<td>1.0000</td>
</tr>
</tbody>
</table>

TABLE 3: Hypothesis testing for direct effect.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Impact</th>
<th>Path coefficients</th>
<th>t</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Islamic visionary leadership: Organisational commitment</td>
<td>0.412</td>
<td>8.997</td>
<td>Significant</td>
</tr>
<tr>
<td>H2</td>
<td>Islamic visionary leadership: Employee performance</td>
<td>0.598</td>
<td>9.221</td>
<td>Significant</td>
</tr>
<tr>
<td>H3</td>
<td>Organisational commitment: Employee performance</td>
<td>0.674</td>
<td>10.432</td>
<td>Significant</td>
</tr>
</tbody>
</table>

TABLE 4: Hypothesis testing for indirect effect.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>H3</td>
<td>Visionary leadership: Employee performance: Organisational commitment</td>
<td>0.598</td>
</tr>
</tbody>
</table>

Discussion

H1: The effect of Islamic visionary leadership on organisational commitment

Islamic visionary leadership has a direct influence on organisational commitment, which means that if a leader has a Islamic visionary leadership style, there will be an increase in employee commitment to the organisation. This study supports the results of Yates et al. (2018), Basri et al. (2021), Isma et al. (2018), Kesumayani et al. (2020), Pulungan et al. (2019) and Syarif and Lina (2019) that there is a significant relation between Islamic visionary leadership and organisational commitment.
Conclusions

In this study, it was found that the Islamic work ethic has a positive effect on job performance. Therefore, considering the positive relationship between work ethic and job performance of employees, it is suggested that while selecting and hiring people for high performance, Islamic work ethic indicators should be used as one of the selection filters to help the organisation to attract ideal people who achieve high performances. Managers of the organisation under study are advised to identify individual feelings and behaviours, lead employees to ethical values and cultivate belief in and commitment to ethical and organisational values among employees of the organisation, so that they can improve ethical and work performance. The results showed that the ups and downs of organisational commitment and employee performance in the organisation were influenced by Islamic visionary leadership. Based on the result of the study, it can be seen that Islamic visionary leadership has a partial effect on organisational commitment, which means that leaders who have Islamic visionary style can support the commitment of employee to organisation. Islamic visionary leadership also has an effect on employee performance, which means that leaders who have an Islamic visionary style motivate the employees for high performance. Furthermore, Islamic visionary leadership affects on employee performance through organisational commitment, which means that higher the Islamic visionary style of the leader, the higher the organisational commitment and employee performance. In addition, organisational commitment affects employee performance, which means that the higher the commitment of employees, the higher the performance they have.

Suggestions and recommendations

The limitation of this study is that the research only focuses on Islamic visionary leadership as a factor that affects organisational commitment and employee performance; in fact, the factors that affect organisational commitment and employee performance are not only Islamic visionary leadership but also job fairness, talent management, job satisfaction, empowerment and performance.

Acknowledgements

Competing interests

The author declares that he has no financial or personal relationships that may have inappropriately influenced him in writing this article.

Author’s contributions

Y.Y. is the sole author of this article.

Ethical considerations

This article followed all ethical standards of research without direct contact with human or animal subjects.


