

Model of Good Corporate Governance and Islamic Organizational Culture in Improving Employee Performance through Job Satisfaction

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ABSTRACT

The implementation of good corporate governance and organizational culture based on Islamic values plays an important role in improving employee performance at Islamic banking institutions. In other words, good corporate governance and culture in an Islamic organization can maintain the sustainability of the company in achieving the company's vision and mission. This study aims to determine and analyze the effect of the implementation of GCG principles and Islamic organizational culture on employee performance through job satisfaction in employees of Islamic banking institutions in Bandung City with 118 samples. In this study, all target populations will be sampled using *non-probability sampling* techniques with *convenience sampling* methods using survey and verification methods with a quantitative approach. The research data were obtained from a questionnaire and tested using SmartPLS version 3.0 software with the *Partial Least Square* (PLS) method which is one of the alternative *Structural Equation Modeling* (SEM) methods. From the data analysis that has been done, it shows that: (1) Implementation of GCG principles has a positive and significant effect on job satisfaction, (2) Implementation of Islamic organizational culture has a significant positive effect on job satisfaction, (3) Implementation of GCG principles has a positive and significant effect on employee performance, (4) Implementation of Islamic organizational culture has a positive and significant effect on employee performance, (5) Job satisfaction has a positive and significant effect on employee performance, (6) Job satisfaction is able to mediate the relationship between the implementation of GCG principles on employee performance, and (7) Job satisfaction is unable to mediate the relationship between the implementation of Islamic organizational culture on employee performance.

Keywords: Implementation of Good Corporate Governance (GCG), Implementation of Islamic Organizational Culture, Employee Performance, Job Satisfaction

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INTRODUCTION

The implementation of good corporate governance and organizational culture based on Islamic values plays an important role in improving employee performance at Islamic banking institutions. In other words, good corporate governance and culture in an Islamic organization can maintain the sustainability of the company in achieving the company's vision and mission.

Islamic banking institutions are still far from expectations. A large market, considering that the Muslim population is the largest in the world, does not guarantee the rapid development of Islamic banking. In fact, the financial performance of Islamic banking has decreased in recent years. This is due to the poor implementation of GCG by Islamic banking which has led to many cases of non-performing financing which is characterized by one of the indicators, namely the increasing amount of non-performing financing based on the quality group of productive assets from 2018 to 2022 [1].

The decline in Islamic banking performance above is due to the poor implementation of GCG in Islamic banking, such as cases of fictitious financing to alleged corruption cases that have occurred since 2018 until now in 2023. Fictitious financing cases in 2018 worth Rp.1.1 trillion by authorized officials at Bank Syariah Mandiri [2]. In the same year at BJB Syariah there was an alleged corruption case worth IDR 566 billion [3]. Meanwhile, there was a problematic financing case of Rp.1.3 trillion at Bank Panin Dubai Syariah [4]. In this

year 2019, there has been a case of embezzlement of customer funds amounting to Rp.35 billion at Bank Syariah Mandiri [5].

Furthermore, in 2023 there was a report from the Financial Services Authority (OJK) that the OJK had reprimanded Bank Syariah Indonesia (BSI) regarding the corruption of People's Business Credit (KUR) funds in 2021 to 2022. The mode carried out by BSI employees as Sales Marketing falsified data on BSI KUR credit recipients from 2021 to 2022. The fictitious credit was then used for his personal interests. This credit then ended in default. State losses based on the audit results from the Financial and Development Supervisory Agency (BPKP) amounted to more than Rp1 billion [6].

The above cases show that governance in Islamic banking has not been maximized and has violated sharia principles, resulting in an organization that does not reflect Islamic values. In addition, the above cases prove that the management of Islamic banking has violated the principles of *responsibility* and *accountability* in GCG. This is illustrated by the attitude of Islamic banking that is too aggressive and too brave to take risks which ultimately leads to criminal acts of corruption that can cause losses to this country Indonesia.

The poor implementation of GCG in Islamic banking can be caused by the poor implementation of organizational culture based on Islamic values or commonly referred to as Islamic organizational culture [7]. Furthermore, BSI employees in the above case have violated the characteristics of Islamic organizational culture, one of which is that work is one of the implementations of the human function as khalifah. A Muslim should realize that the creation of humans including himself is as *khalifah fil ardhi* (leader on earth) who must be able to direct human deeds that are able to create goodness and benefit on this earth.

As Allah Swt. says in Surah Al Baqarah verse 30: "Remember when your Lord said to the angels: "Indeed I want to make a caliph on earth.". However, the words of Allah Swt are often violated by employees who work at Islamic banking institutions, thus worsening the performance of Islamic banking institutions, especially the performance of their employees [9]. And in the end, poor employee performance can be caused by low job satisfaction [10].

The best GCG implementation cannot be separated from the implementation of a good Islamic organizational culture. Research conducted by Rorong & Lasdi [11] which proves that the implementation of GCG in terms of its mechanisms is influenced by the implementation of organizational culture in banking and insurance institutions in Indonesia. Yanka and Fardinal [12] also showed that good GCG implementation was influenced by the implementation of a good organizational culture at the Bekasi City General Hospital. Furthermore, Azwari et al [13] stated that organizational culture has an indirect effect on GCG implementation in amil zakat institutions in Indonesia. The implementation of a good organizational culture will not only have an impact on good GCG implementation but will result in employee job satisfaction in the company, this is in accordance with the results of previous research showing that the implementation of organizational culture is also able to improve employee performance [14-25].

Furthermore, when companies or organizations implement the best GCG, it is proven that employee job satisfaction can be positively and significantly improved, as shown by the results of previous studies [26-29]. GCG implementation through its principles (transparency, accountability, responsibility, independence and fairness) is carried out to improve company performance through superior employee performance. This is evidenced by some previous research results which state that good GCG implementation will improve employee performance through job satisfaction [27,30].

Furthermore, the application of a well-implemented organizational culture can improve employee performance through increased employee job satisfaction, as evidenced by the results of research by Erniwati, et al [31]. Based on previous studies, the position of this research shows that this research is different from previous studies. This research focuses on the implementation of GCG in Islamic banking towards the best model influenced by the implementation of Islamic organizational culture that can improve employee performance through job satisfaction.

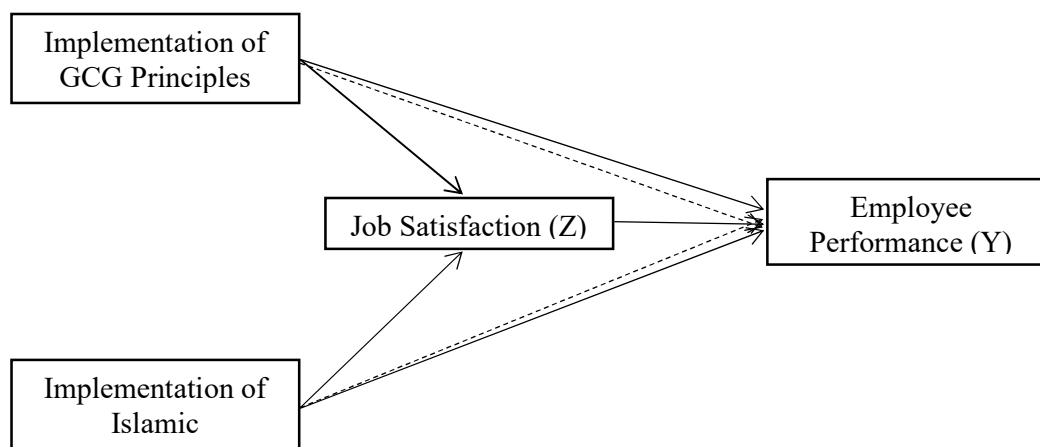
It can be further explained that the point of novelty of this research plan is in measuring the implementation of Islamic organizational culture which has been measured by many researchers through the 4 traits of the Apostle SAW as in Nawawi (2012), However, in this study the authors will measure the implementation of Islamic organizational culture from different measurements, namely sourced from Kadir (2015) that the implementation of Islamic organizational culture in improving the quality of work achievements can be measured from *ash-shalah* (good and useful), *al-itqan* (maturity or perfection), *al-ihsan* (doing the best), *al-mujahadah* (hard and optimal work), *tanafus and ta'awun*, and *time utilization*.

From the description above, the author draws a research title, namely " Model of Good Corporate Governance and Islamic Organizational Culture in Improving Employee Performance through Job Satisfaction " with the focus of differentiating / dividing this research, namely "How is the effect of the implementation of GCG principles and Islamic organizational culture on employee performance through job satisfaction at Islamic banking institutions in Bandung City?". The purpose of this study, namely "To determine and analyze the effect of the implementation of GCG principles and Islamic organizational culture on employee performance through job satisfaction at Islamic banking institutions in Bandung City".

METHODS

In this study using survey and verification methods because it not only provides a description of the phenomena, but also explains the relationship, tests ~~hypothesis~~ makes predictions and gets the meaning and implications of a problem to be solved. The collection technique used in this research is a questionnaire directly given to operational managers in Islamic banks in Bandung City using the *Partial Least Square (PLS)* method using SmartPLS 3.0 *software* which is one of the alternative *Structural Equation Modeling (SEM)* methods.

The population in this study are all employees of Islamic banking institutions in Indonesia (OJK, 2023) with the target population of all employees of Islamic Banks in Bandung City in the period 2023-2024. In this study, all target populations will be sampled using *non-probability sampling* techniques with the *convenience sampling* method. This *convenience sampling* method is determined by calculating how many company employees (Islamic banks) are willing to return the questionnaires that have been distributed.



Where:

- = Direct Effect
- - - → = Indirect Effect

Figure 1
Theoretical Framework

Based on the description above, the hypothesis used in this study is as follows.

1. Ho : There is no effect of the Implementation of GCG Principles on Job Satisfaction
 Ha : There is an influence of the Implementation of GCG Principles on Job Satisfaction
2. Ho : There is no effect of Islamic Organizational Culture Implementation on Job Satisfaction.
 Ha : There is an effect of Islamic Organizational Culture Implementation on Job Satisfaction.
3. Ho : There is no effect of the Implementation of GCG Principles on Employee Performance
 Ha : There is an influence of the Implementation of GCG Principles on Employee Performance
4. Ho : There is no effect of Islamic Organizational Culture Implementation on Employee Performance.
 Ha : There is an influence of Islamic Organizational Culture Implementation on Employee Performance.

Ha : There is an influence of Islamic Organizational Culture Implementation on Employee Performance

5. Ho : There is no effect of Job Satisfaction on Employee Performance

Ha : There is an effect of Job Satisfaction on Employee Performance

6. Ho : There is no effect of Implementation of GCG Principles on Employee Performance through Job Satisfaction.

Ha : There is an influence of the Implementation of GCG Principles on Employee Performance through Job Satisfaction.

7. Ho : There is no effect of Islamic Organizational Culture Implementation on Employee Performance through Job Satisfaction.

Ha : There is an effect of Islamic Organizational Culture Implementation on Employee Performance through Job Satisfaction.

Basis for decision making: (based on the t Statistics value with a significance level of 0.05) (Haryono, 2017).

- Ho is accepted if $T\text{-Statistics} < 1.96$ (No effect)

- Ho is rejected if $T\text{-Statistics} \geq 1.96$ (Affected)

Or base the decision on the significance value.

- Ho is accepted if the P-Values > 0.05 (No effect)

- Ha is rejected if the P-Values ≤ 0.05 (Affected)

RESULT AND DISCUSSION

A. Descriptive Analysis

The data description of the respondents' responses can be used to enrich the discussion, through the description of the respondent's response data, it can be seen how the condition of each indicator of the variable being studied is. In order to make it easier to interpret the variables being studied, categorization of respondents' responses was carried out based on the average score of respondents' responses. The average category of respondents' response scores is based on the range of maximum scores and minimum scores divided by the desired number of categories using the following formula.

$$\text{Category Score Range} = \frac{\text{Maksimum Score} - \text{Minimum Score}}{\text{Total Category}}$$

Description:

Maximum Score = 5

Minimum Score = 1

Number of Categories = 5

$$\text{Then Category Score Range} = \frac{5-1}{5} = \frac{4}{5} = 0,80$$

So that the category interval can be arranged as follows:

Table 1
Guidelines for Categorizing the Average Score of Respondents' Responses

| Score Interval | Category |
|----------------|-------------|
| 1,00 - 1,80 | Very Poor |
| 1,81 - 2,60 | Less Good |
| 2,61 - 3,40 | Good enough |
| 3,41 - 4,20 | Good |
| 4,21 - 5,00 | Very good |

1. Implementation of GCG Principles

The implementation of GCG principles is measured through five dimensions and has two to four indicators that reflect it and are operationalized into fourteen question items. The following is a recapitulation of the average score of respondents' assessments of each dimension of the variable Implementation of GCG principles.

Table 2
Variable Recapitulation of Implementation of GCG Principles

| Indicators of Implementation of GCG Principles | Average Score | Category |
|--|---------------|------------------|
| 1. Transparency | 4,24 | Very good |
| 2. Accountability | 4,07 | Good |
| 3. Responsibilities | 4,23 | Very good |
| 4. Independence | 4,42 | Very good |
| 5. <i>Fairness</i> | 4,39 | Very good |
| Implementation of GCG principles | 4,27 | Very good |
| Gap from Ideal Score | 0,73 | |

Source: Data processing results, 2024

When viewed from the average score of respondents' responses, the variable implementation of GCG principles is included in the "Very Good" category. Then when viewed by dimension, all dimensions of the category are very good except accountability in the "Good" category. The gap of 0.73 is a form of quantification of the ideal (expected) condition, namely if all respondents answer scale 5. From the average of 4.27 for the implementation of GCG principles, it is known that the minimum average is 4.07 while the maximum average is 4.42 (data attached). Furthermore, the implementation of GCG principles seen from each statement item is explained below.

1) Transparency

The transparency dimension has four indicators which reflect it into four question items. The respondents' responses to the transparency dimension can be seen in Table 3 below:

Table 3
Implementation of GCG Principles Based on Transparency Dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|------------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q1 | Frequency | 40 | 74 | 3 | 1 | 0 | 118 | 4.3 (Strongly Agree) |
| | % | 34% | 63% | 3% | 1% | 0% | 100% | |
| Q2 | Frequency | 40 | 74 | 3 | 1 | 0 | 118 | 4.3 (Strongly Agree) |
| | % | 34% | 63% | 3% | 1% | 0% | 100% | |
| Q3 | Frequency | 44 | 62 | 9 | 3 | 0 | 118 | 4.25 (Strongly Agree) |
| | % | 37% | 53% | 8% | 3% | 0% | 100% | |
| Q4 | Frequency | 36 | 66 | 10 | 6 | 0 | 118 | 4.12 (Agree) |
| | % | 31% | 56% | 8% | 5% | 0% | 100% | |
| Average Score: Transparency | | | | | | | | 4.24 (Strongly Agree) |

Source: Data processing results, 2024

In the table above, it can be seen that the overall average score of the transparency dimension is 4.24 in the "Very Good" category, meaning that it reflects the company's ability to disclose information in a timely, adequate, clear and accurate manner. The existence of an internal supervision and control system and the principle of openness does not reduce the obligation to affect the provisions of bank confidentiality. The mean score for this statement item is at 4.24 (84.8%). This indicates that there is a gap of 0.76 (15.2%) from the ideal category. The lowest mean of 4.12 is the principles of openness do not reduce the obligation to affect the provisions of bank confidentiality, while the highest mean of 4.30 is the disclosure of information in a timely, adequate manner and the disclosure of information clearly and accurately. This means that the company (bank) discloses information correctly according to what it is but bank confidentiality is maintained so that transparency has been carried out very well.

2) Accountability

The accountability dimension has three indicators that reflect it which are represented by seven question items. The respondents' responses to the accountability dimension can be seen in Table 4 below:

Table 4

Implementation of GCG Principles Based on the Accountability Dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|--------------------------------------|-----------|--------|-----|-----|----|----|-------|---------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q5 | Frequency | 30 | 77 | 10 | 1 | 0 | 118 | 4.15 (Agree) |
| | % | 25% | 65% | 8% | 1% | 0% | 100% | |
| Q6 | Frequency | 31 | 65 | 15 | 7 | 0 | 118 | 4.02 (Agree) |
| | % | 26% | 55% | 13% | 6% | 0% | 100% | |
| Q7 | Frequency | 35 | 61 | 15 | 7 | 0 | 118 | 4.05 (Agree) |
| | % | 30% | 52% | 13% | 6% | 0% | 100% | |
| Average Score: Accountability | | | | | | | | 4.07 (Agree) |

Source: Data processing results, 2024

In the table above, it can be seen that the overall average score of the structural capital dimension of 4.07 is in the "Good" category, meaning that the organization's responsibilities are in line with the bank's vision & mission, goals & strategies and have competencies in accordance with their responsibilities. The mean score for this statement item is at 4.07 (81.4%). This indicates that there is a gap of 0.93 (18.6%) from the ideal category. The lowest mean of 4.02 is organizational responsibilities aligned with the bank's goals and strategies, while the highest mean of 4.15 is organizational responsibilities aligned with the bank's vision and mission. This means that the company (bank) in carrying out the responsibilities of organizational organs has been carried out well.

3) Responsiveness

The responsibility dimension has two indicators that reflect it which are represented by two question items. The responses of respondents to the responsibility dimension can be seen in Table 5 below:

Table 5

Implementation of GCG Principles Based on the Responsiveness dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|--------------------------------------|-----------|--------|-----|-----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q8 | Frequency | 36 | 66 | 12 | 3 | 1 | 118 | 4.13 (Agree) |
| | % | 31% | 56% | 10% | 3% | 1% | 100% | |
| Q9 | Frequency | 42 | 73 | 3 | 0 | 0 | 118 | 4.33 (Strongly Agree) |
| | % | 36% | 62% | 3% | 0% | 0% | 100% | |
| Average Score: Responsiveness | | | | | | | | 4.23 (Strongly Agree) |

Source: Data processing results, 2024

In the table above, it can be seen that the overall average score of the relational capital dimension of 4.23 is in the "Very Good" category, meaning that the company adheres to the principle of prudence and ensures the implementation of applicable regulations and cares about the environment and carries out social responsibility. The mean score for this statement item is at 4.23 (84.6%). This indicates that there is a gap of 0.77 (15.4%) from the ideal category. The lowest average of 4.13 is that the company adheres to the prudential principle and ensures the implementation of applicable regulations, while the highest average of 4.33 is caring for the environment and carrying out social responsibility. This means that the company in carrying out the functions of its business activities by being careful in protecting public funds entrusted to the company has been carried out very well.

4) Independence

The independence dimension has three indicators that reflect it which are represented by three question items. The respondents' responses to the independence dimension can be seen in Table 6 below:

Table 6
Implementation of GCG Principles Based on Independence dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|------------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q10 | Frequency | 51 | 64 | 1 | 1 | 1 | 118 | 4.38 (Strongly Agree) |
| | % | 43% | 54% | 1% | 1% | 1% | 100% | |
| Q11 | Frequency | 63 | 54 | 1 | 0 | 0 | 118 | 4.53 (Strongly Agree) |
| | % | 53% | 46% | 1% | 0% | 0% | 100% | |
| Q12 | Frequency | 46 | 68 | 4 | 0 | 0 | 118 | 4.36 (Strongly Agree) |
| | % | 39% | 58% | 3% | 0% | 0% | 100% | |
| Average Score: Independence | | | | | | | | 4.42 (Strongly Agree) |

Source: Data processing results, 2024

In the table above, it can be seen that the overall average score of the relational capital dimension of 4.23 is in the "Very Good" category, meaning that the company adheres to the principle of prudence and ensures the implementation of applicable regulations and cares about the environment and carries out social responsibility. The mean score for this statement item is at 4.23 (84.6%). This indicates that there is a gap of 0.77 (15.4%) from the ideal category. The lowest average of 4.13 is that the company adheres to the prudential principle and ensures the implementation of applicable regulations, while the highest average of 4.33 is caring for the environment and carrying out social responsibility. This means that the company in carrying out the functions of its business activities by being careful in protecting public funds entrusted to the company has been carried out very well.

5) Fairness

The dimension of *fairness* has two indicators that reflect it which are represented by two question items. The responses of respondents to the dimension of *fairness* can be seen in Table 7 below:

Table 7
Implementation of GCG Principles Based on the Fairness dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|--------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q13 | Frequency | 53 | 64 | 1 | 0 | 0 | 118 | 4.44 (Strongly Agree) |
| | % | 45% | 54% | 1% | 0% | 0% | 100% | |
| Q14 | Frequency | 41 | 75 | 2 | 0 | 0 | 118 | 4.33 (Strongly Agree) |
| | % | 35% | 64% | 2% | 0% | 0% | 100% | |
| Average Score: Fairness | | | | | | | | 4.39 (Strongly Agree) |

Source: Data processing results, 2024

In the table above, it can be seen that the overall average score of the fairness dimension of 4.39 is in the "Very Good" category, meaning that the company pays attention to the interests of all stakeholders based on the principles of equality and fairness and provides opportunities for stakeholders to convey input and opinions for the company. The mean score for this statement item is at 4.39 (87.8%). This indicates that there is a gap of 0.61 (12.2%) from the ideal category. The lowest average of 4.33 is that the company provides opportunities for stakeholders to convey complaints and opinions for the company, while the highest average of 4.44 is that the company pays attention to the interests of all stakeholders based on the principle of equality and fairness. This means that the company pays attention to the interests of all stakeholders based on the principle of equality and fairness and provides opportunities for stakeholders to convey input and opinions for the company has been running very well.

2. Implementation of Islamic Organizational Culture

The implementation of Islamic organizational culture is measured through four dimensions and each dimension consists of two indicators which are operationalized into two statement items each. The following is a

recapitulation of the average score of respondents' assessments of each dimension of the variable implementation of Islamic organizational culture.

Table 8
Recapitulation of Islamic Organizational Culture Implementation Variables

| Dimensions of Islamic Organizational Culture Implementation | Average Score | Category |
|---|---------------|------------------|
| 1. Amanah | 4.33 | Very good |
| 2. Shidiq | 4,24 | Very good |
| 3. Tabligh | 4.21 | Very good |
| 4. Fathonah | 4,07 | Good |
| Implementation of Islamic Organizational Culture | 4,2125 | Very good |
| Gap from Ideal Score | 0,7875 | |

Source: Data processing results, 2024

When viewed from the average score of respondents' responses, the variable implementation of Islamic organizational culture is included in the very good category. Then when viewed by dimension, there are three dimensions of the category "very good" and one dimension of the category "good". The existence of a gap of 0.7875 is a form of quantification of ideal conditions (expected), namely if all respondents answer scale 5. From an average of 4.2125 for the implementation of Islamic organizational culture, the minimum average is 4.07 while the maximum average is at 4.33 (data attached). Furthermore, the implementation of Islamic organizational culture seen from each item of the statement is explained below.

1) Amanah

The dimension of trust has two indicators that reflect it in two question items. The responses of respondents to the dimension of trustworthiness can be seen in Table 9 below:

Table 9
Implementation of Islamic Organizational Culture based on the dimension of Amanah

| No. | Frequency | Answer | | | | | Total | Average Index |
|------------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q1 | Frequency | 52 | 65 | 1 | 0 | 0 | 118 | 4.43 (Strongly Agree) |
| | % | 44% | 55% | 1% | 0% | 0% | 100% | |
| Q2 | Frequency | 42 | 63 | 11 | 2 | 0 | 118 | 4.23 (Strongly Agree) |
| | % | 36% | 53% | 9% | 2% | 0% | 100% | |
| Average Score : Trustworthy | | | | | | | | 4.33 (Strongly Agree) |

Source: Data processing results, 2024

In Table 9 above, it can be seen that the overall average score of the quantity dimension is 4.33, falling into the "very good" category. The mean score for this statement item is at 4.33 (86.6%). This shows that there is a gap of 0.67 (13.4%). The lowest mean of 4.23 is having accuracy in analyzing well, while the highest mean of 4.43 is showing thoroughness and attention to detail. This means that measurements that state showing thoroughness and attention to detail and having accuracy in analyzing very well.

2) Shidiq

The shidiq dimension has two indicators that reflect it in two question items. The responses of respondents to the shidiq dimension can be seen in Table 10 below:

Table 10
Implementation of Islamic Organizational Culture based on the Shidiq dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|------------------------------|-----------|--------|-----|-----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q3 | Frequency | 46 | 67 | 4 | 1 | 0 | 118 | 4.34 (Strongly Agree) |
| | % | 39% | 57% | 3% | 1% | 0% | 100% | |
| Q4 | Frequency | 40 | 58 | 16 | 4 | 0 | 118 | 4.14 (Agree) |
| | % | 34% | 49% | 14% | 3% | 0% | 100% | |
| Average Score: Shidiq | | | | | | | | 4.24 (Strongly Agree) |

Source: Data processing results, 2024

In Table 10 above, it can be seen that the overall average score of the shidiq dimension is 4.24, in the "Very Good" category. The mean score for this statement item is at 4.24 (84.8%). This shows that there is a gap of 0.76 to fulfill the category of 0.76 (15.2%). The lowest mean of 4.14 is completing work in a timely manner, while the highest mean of 4.34 is working earnestly and correctly. This means that in doing every job, they always report work results that are in accordance with the actual situation and never make mistakes at work.

3) Tabligh

The tabligh dimension has two indicators that reflect it in two question items. The responses of respondents to the tabligh dimension can be seen in Table 11 below:

Table 11
Implementation of Islamic Organizational Culture based on the Tabligh dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|-------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q5 | Frequency | 37 | 69 | 9 | 3 | 0 | 118 | 4.19 (Agree) |
| | % | 31% | 58% | 8% | 3% | 0% | 100% | |
| Q6 | Frequency | 36 | 73 | 9 | 0 | 0 | 118 | 4.23 (Strongly Agree) |
| | % | 31% | 62% | 8% | 0% | 0% | 100% | |
| Average Score: Tabligh | | | | | | | | 4.21 (Strongly Agree) |

Source: Data processing results, 2024

In Table 11 above, it can be seen that the overall average score of the tabligh dimension is 4.21, falling into the "Very Good" category. The mean score for this statement item is at 4.21 (84.2%). This shows that there is a gap of 0.78 to fulfill the category of 0.78 (15.8%). The lowest average of 4.19 is communicative, while the highest average of 4.23 is reporting the truth. This means that in doing every job, they always try to develop themselves and improve their ability to communicate well with all employees in the company and report work results transparently within limits that do not interfere with confidentiality.

4) Fathonah

The fathonah dimension has two indicators that reflect it in two question items. The responses of respondents to the fathonah dimension can be seen in Table 12 below:

Table 12
Implementation of Islamic Organizational Culture based on the Fathonah dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|---------------------------------|-----------|--------|-----|-----|----|----|-------|-----------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q7 | Frequency | 36 | 77 | 5 | 0 | 0 | 118 | 4.26 (Strongly Agree) |
| | % | 31% | 65% | 4% | 0% | 0% | 100% | |
| Q8 | Frequency | 0 | 70 | 9 | 0 | 0 | 79 | 3.89 (Agree) |
| | % | 0% | 89% | 11% | 0% | 0% | 100% | |
| Average Score : Fathonah | | | | | | | | 4.07 (Agree) |

Source: Data processing results, 2024

In Table 12 above, it can be seen that the overall average score of the fathonah dimension is 4.07, in the "Good" category. The mean score for this statement item is at 4.07 (81.4%). This shows that there is a gap of 0.93 to fulfill the category of 0.93 (18.6%). The lowest mean of 3.89 is innovative, while the highest mean of 4.26 is innovative. This means that in doing every job, they always work professionally, innovatively and creatively in completing the work they are responsible for and try to dare to do trial & error to improve the quality of the work they do.

3. Job Satisfaction

Job satisfaction is measured through five dimensions and each dimension consists of one indicator each which is operationalized into one statement item. The following is a recapitulation of the average score of respondents' assessments of each dimension of the job satisfaction variable.

Table 13
Recapitulation of Job Satisfaction Variables

| Dimensions of Job Satisfaction | Average Score | Category |
|---|---------------|-------------|
| 1. The Work Itself | 4.10 | Good |
| 2. Salary | 4,08 | Good |
| 3. Promotion | 4.11 | Good |
| 4. Surveillance | 4,12 | Good |
| 5. Coworkers | 4,15 | Good |
| Implementation of Islamic Organizational Culture | 4,112 | Good |
| Gap from Ideal Score | 0,888 | |

Source: Data processing results, 2024

When viewed from the average score of respondents' responses, the job satisfaction variable is in the good category. Then when viewed by dimension, all dimensions are categorized as "good". The existence of a gap of 0.888 is a form of quantification of the ideal (expected) conditions, namely if all respondents answer scale 5. From an average of 4.112 for job satisfaction, the minimum average is 4.08 while the maximum average is at 4.15 (data attached). This means that the job responsibilities of each employee are in line with their skills & qualifications, the salary received is balanced with the tasks performed, there is a promotion by the company to improve employee status, the supervisor provides clear direction in achieving the set targets and employees feel comfortable seeking help or advice from colleagues when needed.

4. Employee Performance

Employee performance is measured through four dimensions and each dimension consists of two indicators which are operationalized into two statement items each. The following is a recapitulation of the average score of respondents' assessments of each dimension of the employee performance variable.

Table 14
Recapitulation of Employee Performance Variables

| Dimensions of Employee Performance | Average Score | Category |
|------------------------------------|---------------|-------------|
| 1. Quality of Work | 4.29 | Very good |
| 2. Quantity | 3,63 | Good |
| 3. Length of Working Hours | 4.16 | Good |
| 4. Cooperation | 4,15 | Good |
| Employee Performance | 4,0575 | Good |
| Gap from Ideal Score | 0,9425 | |

Source: Data processing results, 2024

When viewed from the average score of respondents' responses, the employee performance variable is in the good category. Then when viewed based on the dimensions, there are three dimensions in the "Good"

category and there is one dimension in the "very good" category. The gap of 0.9425 is a form of quantification of the ideal (expected) condition, namely if all respondents answer scale 5. From an average of 4.0575 for job satisfaction, the minimum average is 3.63 while the maximum average is 4.29 (data attached). Furthermore, seen from each item of the statement, it is explained below.

1) Quality of Work

The dimension of work quality has two indicators that reflect it in two question items. The responses of respondents to the dimensions of work quality can be seen in Table 15 below:

Table 15
Employee Performance based on Work Quality dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|------------------------------------|-----------|--------|-----|----|----|----|-------|------------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q1 | Frequency | 41 | 71 | 4 | 2 | 0 | 118 | 4.28 (Strongly Agree) |
| | % | 35% | 60% | 3% | 2% | 0% | 100% | |
| Q2 | Frequency | 44 | 67 | 6 | 1 | 0 | 118 | 4.31 (Strongly Agree) |
| | % | 37% | 57% | 5% | 1% | 0% | 100% | |
| Average Score: Work Quality | | | | | | | | 4.29 (Strongly Agree) |

Source: Data processing results, 2024

In Table 15 above, it can be seen that the overall average score of the work quality dimension is 4.29, in the "Very Good" category. The mean score for this statement item is at 4.29 (85.8%). This shows that there is a gap of 0.71 (14.2%). The lowest average of 4.28 is having accuracy in analyzing well, while the highest average of 4.31 is showing accuracy and attention to detail. This means that employees are able to complete work in accordance with directions and try to display work results consistently and always be calm in carrying out work and completing it without being easily discouraged.

2) Quantity

The quantity dimension has two indicators that reflect it in two question items. The respondents' responses to the quantity dimension can be seen in Table 16 below:

Table 16
Employee Performance based on the Quantity dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|--------------------------------|-----------|--------|-----|-----|-----|----|-------|-------------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q1 | Frequency | 37 | 53 | 20 | 7 | 1 | 118 | 4 (Agree) |
| | % | 31% | 45% | 17% | 6% | 1% | 100% | |
| Q2 | Frequency | 27 | 30 | 18 | 32 | 11 | 118 | 3.25 (Moderately Agree) |
| | % | 23% | 25% | 15% | 27% | 9% | 100% | |
| Average Score: Quantity | | | | | | | | 3.63 (Agree) |

Source: Data processing results, 2024

In Table 10 above, it can be seen that the overall average score of the shidiq dimension is 3.63, in the "Good" category. The mean score for this statement item is at 3.63 (72.6%). This shows that there is a gap of 1.37 to fulfill the category of 1.37 (27.4%). The lowest mean of 3.25 is complementing and supporting each other, while the highest mean of 4.00 is working in teams. This means that in doing every job, you can discuss in completing the work and accept suggestions and input from coworkers well, while trying to help those who are experiencing difficulties in completing their work and respecting each other between coworkers is in the good enough category.

3) Length of Working Hours

The long working hours dimension has two indicators that reflect it in two question items. The responses of respondents to the dimension of working hours can be seen in Table 17 below:

Table 17

Employee Performance based on the Length of Working Hours dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|--|-----------|--------|-----|-----|----|----|-------|---------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q1 | Frequency | 34 | 71 | 13 | 0 | 0 | 118 | 4.18 (Agree) |
| | % | 29% | 60% | 11% | 0% | 0% | 100% | |
| Q2 | Frequency | 41 | 61 | 9 | 6 | 1 | 118 | 4.14 (Agree) |
| | % | 35% | 52% | 8% | 5% | 1% | 100% | |
| Average Score : Length of Working Hours | | | | | | | | 4.16 (Agree) |

Source: Data processing results, 2024

In Table 17 above, it can be seen that the overall average score of the shidiq dimension is 4.16, in the "Good" category. The mean score for this statement item is at 4.16 (83.2%). This shows that there is a gap of 0.84 to fulfill the category of 0.84 (16.8%). The lowest average of 4.14 is that attendance is always good, while the highest average of 4.18 is coming and going according to working hours. This means that employees come to and leave the office according to a predetermined time and obey the schedule of working hours that has been determined to run well.

4) Cooperation

The dimension of cooperation has two indicators that reflect it in two question items. The responses of respondents to the dimension of cooperation can be seen in Table 18 below:

Table 18

Employee Performance based on the Cooperation dimension

| No. | Frequency | Answer | | | | | Total | Average Index |
|-----------------------------------|-----------|--------|-----|----|----|----|-------|---------------------|
| | % | 5 | 4 | 3 | 2 | 1 | | |
| Q7 | Frequency | 30 | 76 | 10 | 2 | 0 | 118 | 4.14 (Agree) |
| | % | 25% | 64% | 8% | 2% | 0% | 100% | |
| Q8 | Frequency | 38 | 66 | 10 | 4 | 0 | 118 | 4.17 (Agree) |
| | % | 32% | 56% | 8% | 3% | 0% | 100% | |
| Average Score: Cooperation | | | | | | | | 4.15 (Agree) |

Source: Data processing results, 2024

In Table 18 above, it can be seen that the overall average score of the cooperation dimension is 4.15, falling into the "Good" category. The mean score for this statement item is at 4.15 (83.0%). This shows that there is a gap of 0.85 to fulfill the category of 0.85 (17.0%). The lowest mean of 4.14 is giving responsibility, while the highest mean of 4.17 is giving a good explanation. This means that in a job, employees try to contribute wholeheartedly and master the field of work done well.

B. Verification Model

In accordance with the research objectives, namely examining the effect of the implementation of GCG principles and Islamic organizational culture on employee performance through job satisfaction at Islamic banking institutions in Bandung City, then the authors will conduct a series of quantitative analysis relevant to the research objectives. Furthermore, it is processed using *structural equation modeling* with the alternative *partial least square* method.

In *structural equation modeling*, there are two types of models formed, namely measurement models and structural models. The measurement model explains the proportion of *variance* of each manifest variable (indicator) that can be explained in the latent variable. Through the measurement model, it will be known which indicators are more dominant in the formation of latent variables. Furthermore, the structural model will be described which will examine the influence of each independent latent variable (*exogenous latent variable*) on the dependent latent variable (*endogenous latent variable*).

Using the *second order* estimation method of *Partial Least Square*, the full path model of the effect of GCG Implementation and Islamic Organizational Culture on Employee Performance through Job Satisfaction is obtained as shown in Figure 2 below.

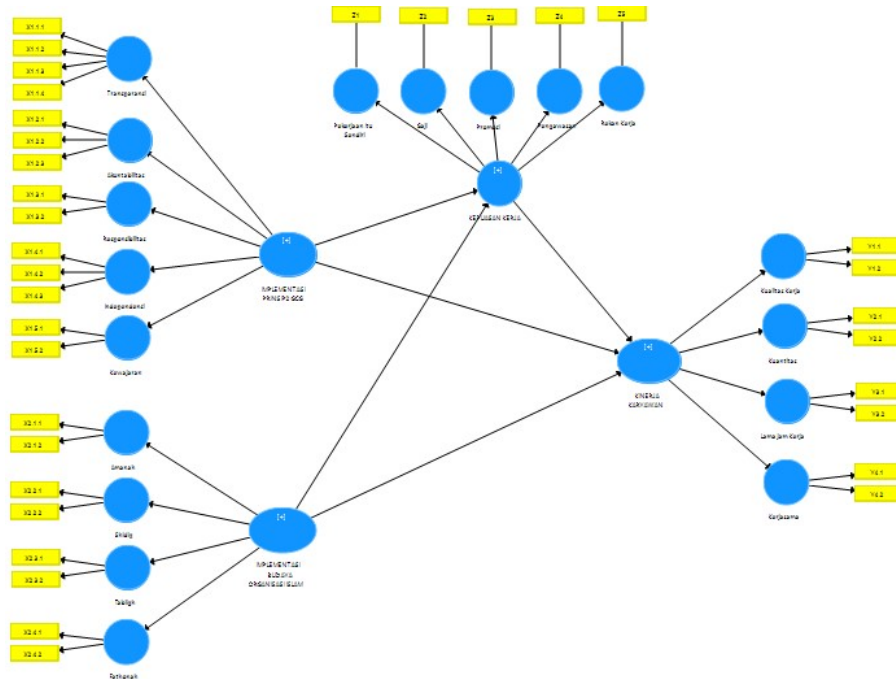


Figure 2
Full Model Path Diagram

The measurement model is a model that connects latent variables with manifest variables. In this study there are four variables with a total of 35 manifest variables. The variable implementation of GCG principles consists of 14 manifest variables, the implementation of Islamic organizational culture consists of 8 manifest variables, job satisfaction consists of 5 manifest variables and job satisfaction consists of 8 manifest variables.

C. Statistical Test Results

This research model will be analyzed using the *Partial Least Square (PLS)* method using SmartPLS 3.0 software which is an alternative *Structural Equation Modeling (SEM)* method that can be used to overcome problems in the relationship between very complex variables. Testing is done by testing the *outer model* (measurement model), which is to conduct statistical tests on the model being carried out and testing the *inner model (structural model)*, which is to test the hypothesis.

D. Measurement Model

Testing the *outer model* (measurement model) in this analysis, the results are as follows:

1. Convergent Validity

Convergent Validity is done by looking at the item *reliability* (validity indicator) indicated by the *loading factor* value. *Loading factor* is a number that shows the correlation between the score of a question item and the construct indicator score that measures the construct. A *loading factor* value greater than 0.7 is said to be valid. However, according to (Hair et al., 1998) for an initial check of the *loading factor* matrix, approximately 0.3 is considered to have met the minimum level, and for a *loading factor of less than 0.4* is considered better, and for a *loading factor* greater than 0.5 it is generally considered significant. In this study, the *loading factor* limit used is 0.7. After data processing using SmartPLS 3.0, the *loading factor* results can be shown as in Table 1:

Table 19
First Iteration Loading Factor Value

| Variables | Indicator | Loading Factor |
|---|-----------|----------------|
| Implementation of GCG Principles (X1) | X1.1.1 | 0.690 |
| | X1.1.2 | 0.793 |
| | X1.1.3 | 0.674 |
| | X1.1.4 | 0.648 |
| | X1.2.1 | 0.695 |
| | X1.2.2 | 0.792 |
| | X1.2.3 | 0.793 |
| | X1.3.1 | 0.718 |
| | X1.3.2 | 0.784 |
| | X1.4.1 | 0.725 |
| | X1.4.2 | 0.825 |
| | X1.4.3 | 0.809 |
| | X1.5.1 | 0.876 |
| | X1.5.2 | 0.902 |
| Implementation of Islamic Organizational Culture (X2) | X2.1.1 | 0.794 |
| | X2.1.2 | 0.886 |
| | X2.2.1 | 0.910 |
| | X2.2.2 | 0.885 |
| | X2.3.1 | 0.775 |
| | X2.3.2 | 0.838 |
| | X2.4.1 | 0.837 |
| | X2.4.2 | 0.876 |
| Job Satisfaction (Z) | Z1 | 1.000 |
| | Z2 | 1.000 |
| | Z3 | 1.000 |
| | Z4 | 1.000 |
| | Z5 | 1.000 |
| Employee Performance (Y) | Y1.1 | 0.856 |
| | Y1.2 | 0.748 |
| | Y2.1 | 0.874 |
| | Y2.2 | 0.833 |
| | Y3.1 | 0.893 |
| | Y3.2 | 0.713 |
| | Y4.1 | 0.722 |
| | Y4.2 | 0.830 |

Source: Primary Data Processed, 2024

From the results of data processing with SmartPLS shown in Table 19, the majority of indicators on each variable in this study have a *loading factor* value greater than 0.70 and are said to be valid. Meanwhile, those with a *loading factor value* of less than 0.70 are eliminated gradually until there are no more loading factors less than 0.70. This shows that variable indicators that have a *loading factor* value greater than 0.70 have a high level of validity, thus fulfilling *convergent validity*. Meanwhile, variable indicators that have a *loading factor* value smaller than 0.70 have a low level of validity so that these variable indicators need to be eliminated or removed from the model. The *loading factor* value after no more indicators are eliminated can be shown in Table 20:

Table 20
Last Iteration *Loading Factor* Value

| Variables | Indicator | <i>Loading Factor</i> |
|---|-----------|-----------------------|
| Implementation of GCG Principles (X1) | X1.1.2 | 1.000 |
| | X1.2.2 | 0.875 |
| | X1.2.3 | 0.908 |
| | X1.3.1 | 0.721 |
| | X1.3.2 | 0.781 |
| | X1.4.1 | 0.723 |
| | X1.4.2 | 0.825 |
| | X1.4.3 | 0.811 |
| | X1.5.1 | 0.876 |
| | X1.5.2 | 0.902 |
| Implementation of Islamic Organizational Culture (X2) | X2.1.1 | 0.794 |
| | X2.1.2 | 0.886 |
| | X2.2.1 | 0.910 |
| | X2.2.2 | 0.885 |
| | X2.3.1 | 0.775 |
| | X2.3.2 | 0.838 |
| | X2.4.1 | 0.837 |
| | X2.4.2 | 0.876 |
| Job Satisfaction (Z) | Z1 | 1.000 |
| | Z2 | 1.000 |
| | Z3 | 1.000 |
| | Z4 | 1.000 |
| | Z5 | 1.000 |
| Employee Performance (Y) | Y1.1 | 0.856 |
| | Y1.2 | 0.748 |
| | Y2.1 | 0.874 |
| | Y2.2 | 0.833 |
| | Y3.1 | 0.893 |
| | Y3.2 | 0.713 |
| | Y4.1 | 0.722 |
| | Y4.2 | 0.830 |

Source: Primary Data Processed, 2024

Based on Table 15, it shows that there is an increase in the *loading factor* value and all values are above 0.70 so that it meets *convergent validity*.

2. *Discriminant Validity*

Discriminant validity aims to determine whether a reflective indicator is indeed a good measure of its construct based on the principle that each indicator should be highly correlated with its construct alone. Measures of different constructs should not be highly correlated (Ghozali and Latan, 2015).

In the SmartPLS application, the *discriminant validity* test uses the cross loadings and *Fornell-Larcker Criterion* values, and *Heterotrait-Monotrait* (HTMT) (Henseler et al., 2015).

Discriminant validity aims to test how far the latent construct is really different from other constructs. A high *discriminant validity* value indicates that a construct is unique and able to explain the phenomenon being measured. In this case, *discriminant validity* uses the *Fornell-Larcker Criterion*, namely a construct is said to be valid by comparing the root value of the AVE (*Fornell-Larcker Criterion*) with the correlation value between latent variables. The root value of AVE must be greater than the correlation between latent variables.

Table 21
Correlation Value between Constructs with AVE Square Root Value (Fornell-Larcker Criterion)

| | X1 .2 | X2 .1 | X2 .4 | Z2 | X1 .4 | Y4 | X1 .5 | Y1 | Y2 | Y3 | Z1 | Z4 | Z3 | Z5 | X1 .3 | X2 .2 | X2 .3 | X1 .1 |
|--------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| X 1. 2 | 0.8 92 | | | | | | | | | | | | | | | | | |
| X 2. 1 | 0.5 60 | 0.8 41 | | | | | | | | | | | | | | | | |
| X 2. 4 | 0.4 36 | 0.6 39 | 0.8 57 | | | | | | | | | | | | | | | |
| Z2 | 0.4 51 | 0.5 46 | 0.5 84 | 1.0 00 | | | | | | | | | | | | | | |
| X 1. 4 | 0.3 32 | 0.5 69 | 0.3 31 | 0.2 83 | 0.7 87 | | | | | | | | | | | | | |
| Y 4 | 0.3 36 | 0.4 92 | 0.5 31 | 0.4 78 | 0.3 84 | 0.7 78 | | | | | | | | | | | | |
| X 1. 5 | 0.2 33 | 0.5 34 | 0.3 69 | 0.3 34 | 0.5 88 | 0.4 67 | 0.8 89 | | | | | | | | | | | |
| Y 1 | 0.4 77 | 0.4 48 | 0.4 45 | 0.3 88 | 0.4 13 | 0.4 01 | 0.2 70 | 0.8 04 | | | | | | | | | | |
| Y 2 | 0.6 39 | 0.4 09 | 0.4 33 | 0.4 43 | 0.2 12 | 0.4 12 | 0.2 45 | 0.5 19 | 0.8 54 | | | | | | | | | |
| Y 3 | 0.4 11 | 0.4 19 | 0.5 80 | 0.3 37 | 0.2 90 | 0.5 31 | 0.3 31 | 0.5 04 | 0.3 87 | 0.8 08 | | | | | | | | |
| Z1 | 0.4 02 | 0.3 40 | 0.5 61 | 0.6 08 | 0.1 71 | 0.3 99 | 0.3 38 | 0.2 94 | 0.3 51 | 0.4 77 | 1.0 00 | | | | | | | |
| Z4 | 0.4 08 | 0.3 32 | 0.4 26 | 0.3 49 | 0.3 10 | 0.3 25 | 0.2 98 | 0.2 58 | 0.3 20 | 0.4 28 | 0.3 92 | 1.0 00 | | | | | | |
| Z3 | 0.4 65 | 0.5 49 | 0.5 93 | 0.6 27 | 0.4 18 | 0.4 81 | 0.3 46 | 0.3 91 | 0.5 13 | 0.4 23 | 0.5 03 | 0.3 25 | 1.0 00 | | | | | |
| Z5 | 0.2 81 | 0.4 02 | 0.4 32 | 0.4 45 | 0.3 42 | 0.4 64 | 0.4 73 | 0.1 93 | 0.2 57 | 0.3 48 | 0.5 12 | 0.4 82 | 0.5 06 | 1.0 00 | | | | |
| X 1. 3 | 0.5 36 | 0.4 90 | 0.4 12 | 0.3 09 | 0.4 07 | 0.3 06 | 0.3 69 | 0.2 83 | 0.3 51 | 0.2 23 | 0.3 14 | 0.3 93 | 0.4 03 | 0.4 56 | 0.7 52 | | | |
| X 2. 2 | 0.4 96 | 0.6 43 | 0.6 08 | 0.4 87 | 0.3 75 | 0.4 93 | 0.3 66 | 0.4 39 | 0.4 81 | 0.3 84 | 0.3 49 | 0.3 13 | 0.5 44 | 0.3 23 | 0.4 97 | 0.8 98 | | |
| X 2. 3 | 0.4 98 | 0.6 00 | 0.7 70 | 0.5 61 | 0.4 19 | 0.4 59 | 0.3 37 | 0.4 01 | 0.4 96 | 0.4 10 | 0.4 79 | 0.3 26 | 0.6 17 | 0.3 35 | 0.4 79 | 0.7 23 | 0.8 07 | |
| X 1. 1 | 0.3 04 | 0.3 75 | 0.5 08 | 0.3 47 | 0.3 20 | 0.4 09 | 0.4 08 | 0.3 18 | 0.3 81 | 0.3 74 | 0.3 61 | 0.3 43 | 0.3 55 | 0.2 19 | 0.2 58 | 0.3 07 | 0.3 95 | 1.0 00 |

Source: Primary Data Processed, 2024

Table 21 shows that the square root value of AVE for each construct is greater than the correlation value so that the constructs in this research model can be said to have good *discriminate validity*.

3. Composite Reliability

Outer model besides being measured by assessing *convergent validity* and *discriminant validity* can also be done by looking at the reliability of constructs or latent variables as measured by the *composite reliability*

value. *The* construct is declared reliable if the *composite reliability* has a value > 0.7, then the construct is declared reliable. The SmartPLS *output* results for the *composite reliability* value can be shown in Table 22.

Table 22
Cronbach's Alpha and Composite Reliability values

| | Cronbach's Alpha | rho_A | Composite Reliability | Average Variance Extracted (AVE) |
|---|-------------------------|--------------|------------------------------|---|
| Accountability | 0.744 | 0.755 | 0.886 | 0.795 |
| Amanah | 0.703 | 0.718 | 0.828 | 0.707 |
| Fathonah | 0.708 | 0.708 | 0.847 | 0.734 |
| Salary | 1.000 | 1.000 | 1.000 | 1.000 |
| IMPLEMENTATION OF ISLAMIC ORGANIZATIONAL CULTURE | 0.876 | 0.883 | 0.903 | 0.540 |
| IMPLEMENTATION OF GCG PRINCIPLES | 0.852 | 0.857 | 0.879 | 0.593 |
| Independence | 0.708 | 0.708 | 0.830 | 0.620 |
| JOB SATISFACTION | 0.819 | 0.826 | 0.874 | 0.583 |
| EMPLOYEE PERFORMANCE | 0.770 | 0.785 | 0.833 | 0.521 |
| Cooperation | 0.706 | 0.736 | 0.753 | 0.605 |
| Fairness | 0.736 | 0.742 | 0.883 | 0.791 |
| Quality of Work | 0.716 | 0.776 | 0.785 | 0.647 |
| Quantity | 0.708 | 0.738 | 0.843 | 0.729 |
| Length of Working Hours | 0.756 | 0.776 | 0.788 | 0.653 |
| The Work Itself | 1.000 | 1.000 | 1.000 | 1.000 |
| Surveillance | 1.000 | 1.000 | 1.000 | 1.000 |
| Promotion | 1.000 | 1.000 | 1.000 | 1.000 |
| Coworkers | 1.000 | 1.000 | 1.000 | 1.000 |
| Responsiveness | 0.708 | 0.718 | 0.722 | 0.565 |
| Shidiq | 0.760 | 0.767 | 0.893 | 0.806 |
| Tabligh | 0.738 | 0.753 | 0.789 | 0.652 |
| Transparency | 1.000 | 1.000 | 1.000 | 1.000 |

Source: Primary Data Processed, 2024

The SmartPLS output results in Table 22 show that the *Cronbach's alpha* and *composite reliability* values for all constructs are above the 0.60 value. With the resulting value, all constructs have good reliability in accordance with the required minimum value limit.

4. Multicollinearity Test

The multicollinearity test is conducted using the *Variance Inflation Factor* (VIF), the multicollinearity test presented in Table 23 shows that this structural model is not tentatively affected by collinearity problems because the VIF for construction is below the maximum threshold of 10 (O'Brien, 2007).

Table 23
Variance Inflation Factor (VIF) value

| | VIF |
|--------|-------|
| X1.1.1 | 1.584 |
| X1.1.2 | 1.000 |
| X1.1.2 | 1.746 |
| X1.1.3 | 1.454 |
| X1.1.4 | 1.694 |
| X1.2.1 | 1.769 |
| X1.2.2 | 1.540 |
| X1.2.2 | 2.020 |
| X1.2.3 | 1.540 |
| X1.2.3 | 2.229 |
| X1.3.1 | 1.017 |
| X1.3.1 | 1.954 |
| X1.3.2 | 1.017 |
| X1.3.2 | 1.669 |
| X1.4.1 | 1.299 |
| X1.4.1 | 1.770 |
| X1.4.2 | 1.462 |
| X1.4.2 | 1.793 |
| X1.4.3 | 1.349 |
| X1.4.3 | 2.100 |
| X1.5.1 | 1.513 |
| X1.5.1 | 1.701 |
| X1.5.2 | 1.513 |
| X1.5.2 | 2.374 |
| X2.1.1 | 1.215 |
| X2.1.1 | 1.489 |
| X2.1.2 | 1.215 |
| X2.1.2 | 2.232 |
| X2.2.1 | 1.602 |
| X2.2.1 | 2.479 |
| X2.2.2 | 1.602 |
| X2.2.2 | 2.318 |
| X2.3.1 | 1.103 |
| X2.3.1 | 1.876 |
| X2.3.2 | 1.103 |
| X2.3.2 | 2.726 |
| X2.4.1 | 1.284 |
| X2.4.1 | 2.023 |
| X2.4.2 | 1.284 |
| X2.4.2 | 2.500 |
| Y1.1 | 1.097 |

| | |
|------|-------|
| Y1.1 | 1.888 |
| Y1.2 | 1.097 |
| Y1.2 | 1.248 |
| Y2.1 | 1.268 |
| Y2.1 | 1.966 |
| Y2.2 | 1.268 |
| Y2.2 | 1.478 |
| Y3.1 | 1.115 |
| Y3.1 | 1.684 |
| Y3.2 | 1.115 |
| Y3.2 | 1.221 |
| Y4.1 | 1.048 |
| Y4.1 | 1.246 |
| Y4.2 | 1.048 |
| Y4.2 | 1.441 |
| Z1 | 1.000 |
| Z1 | 1.839 |
| Z2 | 1.000 |
| Z2 | 2.046 |
| Z3 | 1.000 |
| Z3 | 1.860 |
| Z4 | 1.000 |
| Z4 | 1.364 |
| Z5 | 1.000 |
| Z5 | 1.708 |

Source: Primary Data Processed, 2024

Based on the overall results of the model evaluation, all of them obtained good results. Then this research model can be continued to the next process.

5. Goodness of Fit (GoF) Test

Analysis of Variance (R^2) or Determination Test is to determine the influence of the independent variable on the dependent variable, the value of the coefficient of determination can be shown in Table 25:

Table 25
R-Square Value

| | <i>R Square</i> | <i>Adjusted R Square</i> |
|-----------------------------|-----------------|--------------------------|
| Job satisfaction | 0.542 | 0.535 |
| Employee performance | 0.557 | 0.546 |

Source: Primary Data Processed, 2024

Based on the *r-square value* in Table 25 above, it can be seen that the *R-Square* value for the job satisfaction variable is 0.542. The acquisition of this value explains that the percentage of business sustainability can be explained by job satisfaction by 54.2%, the remaining 45.8% is influenced by other variables not examined. Meanwhile, the *R-Square* value for the employee performance variable is 0.557. The acquisition of this value explains that the percentage of business sustainability can be explained by job satisfaction by 55.7%, the remaining 43.3% is influenced by other variables not examined.

Furthermore, the *goodness of fit* assessment is known from the square root of the communality value multiplied by the average Q-Square value (0.5495). The recommended communality value = 0.50 (Fornel and Larcker, 1981), then :

$$GoF = \sqrt{0,5 \times 0,5495} = 0.524$$

Based on the results of the above calculations, the GoF value of 0.524 is greater than 0.36 (Cohen, 1988). This shows that this research model can be declared to have good *goodness of fit*.

6. Hypothesis Testing

After outer testing that has met the requirements, the next is based on the results of testing the *Inner Model* (structural model) which includes the *r-square output*, parameter coefficients and *t-statistics*. To see whether a hypothesis can be accepted or rejected, pay attention to the significance value between constructs, t-statistics, and *p-values*. This hypothesis testing was carried out with the help of SmartPLS (Partial Least Square) 3.2.9 software. These values can be seen from the bootstrapping results. The *rules of thumb* used in this study are t-statistics > 1.96 with a *p-value* significance level of 0.05 (5%). The value of testing the hypothesis of this study can be shown in Figure 3 and Table 26 as follows.

Where:

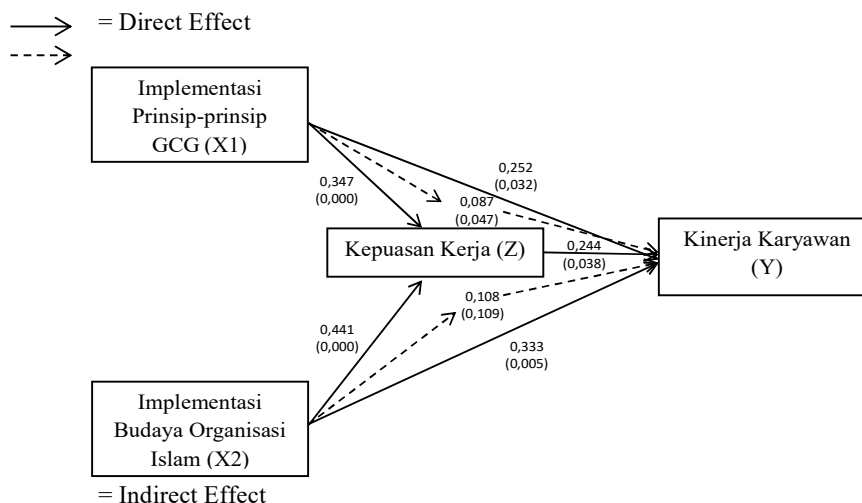


Figure 3
Hypothesis Results of Direct and Indirect Influence

The path coefficient hypothesis results of the proposed hypothesis are obtained as follows:

Table 26
Direct Effect Results

| | Original Sample (O) | Sample Average (M) | Standard Deviation (STDEV) | T Statistic (O/STDEV) | P Values |
|--|---------------------|--------------------|----------------------------|-------------------------|--------------|
| Implementation of Islamic Organizational Culture -> Job Satisfaction | 0.441 | 0.448 | 0.098 | 4.507 | 0.000 |
| Implementation of Islamic Organizational Culture -> Employee Performance | 0.333 | 0.335 | 0.119 | 2.804 | 0.005 |
| Implementation of Geg Principles -> Job Satisfaction | 0.347 | 0.344 | 0.093 | 3.732 | 0.000 |
| Implementation of Geg Principles -> Employee Performance | 0.252 | 0.250 | 0.117 | 2.149 | 0.032 |
| Job Satisfaction -> Employee Performance | 0.244 | 0.248 | 0.118 | 2.076 | 0.038 |

Source: Primary Data Processed, 2024

While the results of the specific indirect effect hypothesis of the proposed hypothesis are obtained as follows:

Table 27

Indirect Influence Results

| | Original Sample (O) | Sample Average (M) | Standard Deviation (STDEV) | T Statistic (O/STDEV) | P Values |
|--|---------------------|--------------------|----------------------------|-------------------------|--------------|
| Implementation of Islamic Organizational Culture -> Job Satisfaction -> Employee Performance | 0.108 | 0.114 | 0.067 | 1.606 | 0.109 |
| Implementation of Gcg Principles -> Job Satisfaction -> Employee Performance | 0.087 | 0.083 | 0.044 | 1.990 | 0.047 |

Source: Primary Data Processed, 2024

Furthermore, there are hypothesis test results can be tabulated as follows:

Table 28

Hypothesis Test Results Direct Effect

| | Hypothesis | Coefficient | T Statistic | P-values | Conclusion |
|----|---|-------------|-------------|----------|-------------|
| H1 | Implementation of GCG Principles → Job Satisfaction | 0,347 | 3,732 | 0,000 | Influential |
| H2 | Implementation of Islamic Organizational Culture → Job Satisfaction | 0,441 | 4,507 | 0,000 | Influential |
| H3 | Implementation of GCG Principles → Employee Performance | 0,252 | 2,149 | 0,032 | Influential |
| H4 | Implementation of Islamic Organizational Culture → Employee Performance | 0,333 | 2,804 | 0,005 | Influential |
| H5 | Job Satisfaction → Employee Performance | 0,244 | 2,076 | 0,038 | Influential |

Source: Primary Data Processed, 2024

Conclusion of the direct effect hypothesis:

1. There is an effect of the implementation of GCG principles on job satisfaction. Evidenced by the value of T Statistics > 1.96 (3.732 > 1.96) or P Values < 0.05 (0.000 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if the implementation of the principles increases, job satisfaction also increases.

2. There is an effect of the implementation of Islamic organizational culture on job satisfaction. Proven by the value of T Statistics > 1.96 (4.507 > 1.96) or P Values < 0.05 (0.000 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if the implementation of Islamic organizational culture increases, job satisfaction also increases.

3. There is an effect of the implementation of GCG principles on employee performance. Evidenced by the value of T Statistics > 1.96 (2.149 > 1.96) or P Values < 0.05 (0.032 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if the implementation of GCG principles increases, employee performance also increases.

4. There is an effect of the implementation of Islamic organizational culture on employee performance. Proven by the value of T Statistics > 1.96 (2.804 > 1.96) or P Values < 0.05 (0.005 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if the implementation of Islamic organizational culture increases, employee performance also increases.

5. There is an effect of job satisfaction on employee performance. Evidenced by the value of T Statistics > 1.96 (2.076 > 1.96) or P Values < 0.05 (0.038 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if job satisfaction increases, employee performance also increases.

Table 23
 Hypothesis Test Results of Indirect Influence

| | Hypothesis | Coefficient | T Statistic | P-values | Conclusion |
|----|--|-------------|-------------|----------|-------------|
| H6 | Implementation of GCG Principles → Employee Performance through Job Satisfaction | 0,087 | 1,990 | 0,047 | Influential |
| H7 | Implementation of Islamic Organizational Culture → Employee Performance through Job Satisfaction | 0,108 | 1,606 | 0,109 | No Effect |

Source: Primary Data Processed, 2024

Conclusion of the indirect effect hypothesis:

1. There is an effect of the implementation of GCG principles on employee performance through job satisfaction. Evidenced by the value of T Statistics > 1.96 (1.990 > 1.96) or P Values < 0.05 (0.047 < 0.05), so Ho is rejected and Ha is accepted.

The positive coefficient value means that the effect is positive, that is, if the implementation of GCG principles increases, employee performance through job satisfaction also increases.

2. There is no effect of the implementation of Islamic organizational culture on employee performance through job satisfaction. Evidenced by the value of T Statistics < 1.96 (1.606 < 1.96) or P Values > 0.05 (0.109 > 0.05), so Ho is accepted and Ha is rejected.

CONCLUSION

Based on the research results above, it can be concluded that:

1. The implementation of GCG principles has a positive and significant effect on job satisfaction. This is indicated if the implementation of GCG principles increases, then job satisfaction also increases.
2. Implementation of Islamic organizational culture has a significant positive effect on job satisfaction. This is indicated if the implementation of Islamic organizational culture increases, then job satisfaction also increases.
3. The implementation of GCG principles has a positive and significant effect on employee performance. This is indicated if the implementation of GCG principles increases, then employee performance also increases.
4. Implementation of Islamic organizational culture has a positive and significant effect on employee performance. This is indicated if the implementation of Islamic organizational culture increases, then employee performance also increases.
5. Job satisfaction has a positive and significant effect on employee performance. This is indicated if job satisfaction increases, then employee performance also increases.
6. Job satisfaction is able to mediate the relationship between the implementation of GCG principles on employee performance.

7. Job satisfaction is not able to mediate the relationship between the implementation of Islamic organizational culture on employee performance.

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