Reducing Employee Conflict Through Islamic Spirituality in Workplace "Analyzing Employee Performance in Islamic Banks"

Eka Pariyanti¹, Najmudin²
Sekolah Tinggi Ilmu Ekonomi (STIE) Lampung Timur, Indonesia¹
Faculty of Economics and Business, Universitas Jenderal Soedirman, Indonesia²
Email: ekaparianti10@gmail.com¹, najmudin_najmudin@yahoo.com²

ABSTRACT

**Purpose:** This study aims to test empirically the effect of employee conflict through the workplace on Islamic spirituality and to analyze employee performance in Islamic banks.

**Design/methodology/approach:** The data collection method used a questionnaire. The number of samples is 78 employees at Islamic Bank in Indonesia. The data analysis technique used linear regression and pathways.

**Findings:** The results showed that the Spiritual Workplace has an effect on the conflict between Islamic Bank employees. Conflict affects the performance of Islamic Bank employees. Spiritual Islamic Workplace affects the performance of Islamic Bank employees. Indirectly, employee conflicts through Islamic Workplace employees have a significant effect on the performance of Islamic Bank employees.

**Research limitations/implications:** Cross-sectional of data collection in this study, drawing causal conclusions between the constructs examined is less precise. Future studies make it possible to conduct longitudinal studies.

**Practical implications:** The existence of an Islamic Spirituality in the workplace (ISW) will make people who are in organizations / agencies work on time and will even manage their workload.

**Originality/value:** This paper is original.

**Paper type:** Research paper

**Keyword:** Employee Conflict, Islam Spirituality In Workplace, Employee Performance.

Received: September 18th, 2020
Revised: December 14th, 2020
Published: March 31st, 2021

I. INTRODUCTION

Conflict is something that needs to be considered in a company. Tjosvold (2008) argues that conflict is very important for HRM. Conflicts arise because of differences or conflicts between individuals or social groups that occur due to different interests, as well as efforts to fulfill goals by opposing the opposing party accompanied by threats or violence (Soekanto, 2017). Unresolved conflicts can have a negative effect on employee health (Uzkurt, Kumar, Semih Kimzan, & Eminoğlu, 2013) and organizational performance and success (Arnold, Randall, Patterson, & Silvester, 2010). Conflicts can range from simple arguments between coworkers to confrontation with superiors. If not resolved, differences of opinion can lead to conflict, conflict can escalate, and the situation can become more serious (Odio, Sagas, & Kerwin, 2014). CIPD (2020), for example, considered the impact of conflict between employees on the workplace, with a focus on lowering motivation and thus reducing productivity and potential loss of employees. Seeing the many negative effects caused by conflict, it is necessary to reduce conflict. Much of a manager's time can be spent dealing with various forms of disagreement and arguments at work, and conflict resolution can be a daunting and management time-consuming task (Sujatmiko & Realize, 2018). To resolve conflicts, managers must frame problems carefully and consider the long-term effects of their
decisions. How they act can improve morale by asserting an inclusive culture or it can show that religion is just tolerated - and possibly invites litigation (Chang, 2016).

In general, conflict handling is more about general matters, such as internal communication (Hidayat, 2007). Arnold et al. (2010) Managers can implement and use conflict resolution training interventions in their workplace, though, it can help prevent conflicts before they arise. Employee and manager training in conflict resolution can impact employee well-being, increase employee retention, and help develop managerial skills.

There are only a few who use spiritual means. Spirituality in the workplace is a multidimensional phenomenon, where several researchers have different views on this dimension. Ashmos & Duchon (2000) offers seven dimensions of spirituality in the workplace, namely dimensions; community conditions, meaningfulness at work, individual private life, group spirituality, individual responsibility, positive relationship with others and self-reflective. Then Milliman, Czaplewski, & Ferguson (2003) minimized the dimensions of Ashmos into three dimensions, namely fous to meaningful work, sense of community, and alignment with organization's values. Abdul Cader (2017), explores and analyzes Islamic principles governing conflict management in the context of Islamic human resource management (HRM) and provides new insights into the development of conflict management theory from an Islamic HRM perspective.

In contrast to Cader 2017's research, we propose Islamic spirituality workplace or Islamic spirituality in the workplace Adawiyah & Pramuka (2017) to reduce existing work conflicts PT. East Lampung Syar’i'ah People's Financing Bank. Islamic spirituality workplace or Islamic spirituality in the workplace (Adawiyah & Pramuka, 2017). This concept is a spiritual system in Islamic teachings which includes three main areas: taqarrub, muraqabah, and istiqlamah. research results can be used in designing, developing, and implementing appropriate learning and performance-enhancing interventions, so that Islamic spirituality may increase steadily among Muslim employees.

The results of research by Abdul Cader (2017) reveal that two determinants of spirituality at work (meaningful work and a sense of community) create a significant positive impact on employee performance. The moderate effect of Islamic work ethics was found in the relationship between meaningful work and employee performance as well as sense of community and employee performance. Thus, the implications for Islamic banks have been discussed in particular and other organizations in general for upholding a spirituality in the workplace and an Islamic work ethic in order to maintain performance standards in all directions.

From this research it is expected Islamic spirituality in the workplace can reduce conflict and can increase employee performance PT. East Lampung Syar’i'ah People's Financing Bank.

A. Literature Review and Hypotheses

Islamic Spirituality in The Workplace and Employee Conflicts

According to Duchon & Plowman (2005), the definition of spirituality in the workplace is a workplace which recognizes the inner life of employees for their work. Meanwhile, according to Giacalone & Jurkiewicz (2010) describing spirituality at work is an organizational value that is applied to organizational culture through work processes and also provides facilities for employees related to integration between employees by providing inner satisfaction. Meanwhile, according to spirituality in the workplace (Adawiyah & Pramuka, 2017). This concept is a spiritual system in Islamic teachings which includes three main areas: taqarrub, muraqabah, and istiqlamah. research results can be used in designing, developing, and implementing appropriate learning and performance-enhancing interventions, so that Islamic spirituality may increase steadily among Muslim employees. Milliman et at. (2003) a spiritual workplace approach that focuses on the organization, which includes: adopting spiritual values that are grown in the organization, connecting personal and business spiritual values, creating a framework for HR managers to support, encourage, and produce spiritual output.

Religion and religiosity in the workplace cannot be ignored when developing management strategies in conflict resolution n. Islam, while recognized as a religion, is considered a holistic way of life for its adherents (Sulaeman, 2015). The nature of religiosity is a strong moderator of actions and behavior (Rahmat & Agusti, 2018). Growing religiosity among Muslims in the workplace Sangari & Mirzaian (2012) requires HRM to explore strategies in managing this type of diversity in their organizations in. Sulaeman (2015) argues that conflict resolution theory exists in every society.

From some of the reviews above, we can know that Islamic spirituality in the workplace has a mutual tendency with employee conflict. Therefore, in this study we hypothesize "

HI "Islamic spirituality in the workplace affects employee conflict”

Employee Conflict and Employee Performance

Conflict can occur if there are differences between two or more people, for example differences in perceptions, competition, knowledge, goals, and other differences that occur between individuals, groups or organizations. Conflict can have a good or not impact depending on how managers control the conflict that occurs (Sulaeman, 2015). Conflict in organizations is called the conflict paradox, which is the view that on the conflict
side it is considered to be able to improve group performance, but on the other hand, most groups and organizations try to minimize conflict (Robbins & Judge, 2008).

At a very high level of conflict, conflict is dysfunctional and causes a decrease in organizational performance because a high level of conflict will require a lot of time and resources to be used to resolve conflicts that occur, this condition is characterized by a disturbance in organizational activities, the level of difficulty, in high communication and confusion (Anatan, 2009). So we hypothesize:

H2 "Employee conflict affects employee performance"

Islamic Spirituality in The Workplace on Employee Performance

Spirituality in the workplace provides values that can be understood and held together and belief provides a way for implementation to each individual according to their respective teachings (Septa & Nashrillah, 2018).

In Altaf & Awan (2011) research, providing each employee with a spirituality in the workplace helps them develop affection for the organization and will maintain it to give them a competitive advantage and lower the costs of finding and rehiring staff. The results of research by Sulaeman (2015) reveal that two determinants of spirituality at work (meaningful work and a sense of community) create a significant positive impact on employee performance. Hypothesis:

H3 “Islamic spirituality in the workplace has an effect on employee performance

Model of The Research

![Figure 1. Model of The Research](image)

II. METHODOLOGY

A. Population and Sample

This research is a survey of employees PT. The Shari'ah People's Financing Bank numbered 78 people. While the sampling technique used the simple random sampling method.

B. Variable Measurement and Research Testing

To assess Islamic workplace spirituality (IWS) we used 13 items from the (Adawiyah & Pramuka, 2017). Likert-type scale with a seven-point response option to ensure that the scale produced sufficient variance among respondents for further statistical analysis. An example of the item format is “I believe working hard is a characteristic of strong faith.

As for employee conflict, Simamora, (2003) divides conflict into two types, namely: functional conflict (Functional Conflict), namely conflict that supports the achievement of group goals and dysfunctional conflict (Dysfunctional Conflict), namely conflicts that hinder the achievement of group goals.

Employee performance is measured based on the Robbins & Judge (2008) indicator, employee performance has six indicators, with a Likert scale.

C. Analysis Technique

Alpha reliability for the scale was used to determine factor loading for each indicator variable one item. Hypothesis testing uses simple linear regression analysis and Path path. The data analysis technique was the linear regression method using SPSS 20.
III. RESULTS AND DISCUSSION

A. Results

Based on the questionnaire analysis using the Moment Product Correlation formula, it is known that the Employee Conflict Variable, Islamic Spirituality in the Workplace (ISW) and Employee Performance are considered valid and reliable.

<table>
<thead>
<tr>
<th>Steps</th>
<th>B</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>IWS &amp; Conflict</td>
<td>-0.054</td>
<td>-2.021</td>
<td>0.042</td>
</tr>
<tr>
<td>Employee Conflict &amp; Performance</td>
<td>-0.058</td>
<td>-2.323</td>
<td>0.037</td>
</tr>
<tr>
<td>IWS &amp; Performance</td>
<td>0.683</td>
<td>4.268</td>
<td>.001</td>
</tr>
<tr>
<td>Employee Conflict, ISW &amp; Performance</td>
<td>0.594</td>
<td>2.125</td>
<td>0.039</td>
</tr>
</tbody>
</table>

B. Discussion

The significance value for the Islamic Workplace Spiritual is 0.042, this value is smaller than 0.005, so the hypothesis which states that Islamic Workplace Spiritual affects employee conflict is supported. This means that the Spiritual Islamic Workplace directly reduces conflict, because the research results are negative. Some of the Islamic principles are broadly applicable and are not limited to the Muslim workforce. For example, Rehman (2011) studied the involvement of Islam in conflict resolution and found that Islamic theology can lay a framework for implementing resolution in cases outside the Muslim community.

Furthermore, the significance of employee conflict is 0.000, this value is less than 0.005, so the hypothesis which states that conflict affects employee performance is acceptable. Conflict what happens in a company in general will have an influence on employee performance. Therefore it is necessary to reduce conflict that can minimize conflict so as to improve employee performance.

The third hypothesis is Spiritual Islamic Workplace on employee performance. It is known that the significance value for Islamic Workplace Spiritual is 0.001, this value is less than 0.005, so the hypothesis which states that Islamic Workplace Spiritual affects employee performance is acceptable. Similar to the Islamic Workplace Spiritual, the value of spirituality in the workplace by considering its factors (inner life, meaningful work and sense of community) in the context of Islamic work ethics to investigate employee performance, the result is significant.

The results of the Path analysis show that the indirect effect is 0.594. This result shows that indirectly employee conflict through Islamic Workplace Spiritual has a significant effect on employee performance.

C. Limitations

This study has several limitations namely self-report measures are used, which can lead to general error bias (Khan at all, 2014). Also, due to the cross-sectional nature of data collection in this study, drawing causal conclusions between the constructs examined is less precise. Future studies make it possible to conduct longitudinal studies. The research is in Lampung and is limited to religion-based institutions, which may limit the generalizability of some findings elsewhere. Further research is recommended to examine in a broader scope.

IV. CONCLUSION

1. Spiritual Workplace has an effect on employee conflict.
2. Conflict affects employee performance
3. Spiritual Islamic Workplace has an effect on employee performance
4. Indirectly, employee conflict through employee Islamic Workplace has a significant effect on employee performance
REFERENCES


