

THE IMPACT OF ISLAMIC FAITH ON LEADERSHIP APPROACHES AND ORGANIZATIONAL DYNAMICS IN MALAYSIAN WORK ENVIRONMENTS

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ABSTRACT

This journal investigates the impact of Islamic leadership on work performance within the service industry through an empirical analysis. Drawing on the principles of Islamic leadership, which emphasize justice, integrity, and compassion, the study examines how leadership practices rooted in Islamic values affect employee performance and organizational outcomes. The research is a mixed-methods approach, incorporating both quantitative and qualitative analyzes to provide a comprehensive understanding of the phenomenon. The quantitative aspect of the study involves surveying employees in service organizations to assess their perceptions of leadership behaviors aligned with Islamic principles and their corresponding work performance. Statistical analyzes, including regression and structural equation modeling, examine the relationships between Islamic leadership practices and various work performance indicators, such as job satisfaction, productivity, and organizational commitment. Complementing the quantitative findings, qualitative data are gathered through interviews and focus groups with organizational leaders and employees to gain deeper insights into how Islamic leadership influences work performance. These qualitative insights enrich our understanding of how Islamic values are integrated into leadership practices and impact employee attitudes, behaviors, and organizational culture. The findings of this study contribute to both theoretical and practical implications. Theoretically, the research advances understanding of the role of Islamic leadership in contemporary organizational contexts, highlighting its relevance and effectiveness in fostering positive work outcomes. Practically, the findings guide organizations seeking to enhance performance through principled leadership approaches rooted in Islamic values.

Keywords: *Islamic Faith, Leadership, Leadership Approaches, Organizational Dynamic, Islamic Leadership*

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INTRODUCTION

Managing organizations within a dynamic work environment presents significant challenges in maintaining global competitiveness in the private and government sectors. However, it is imperative to establish structured and adaptable organizational frameworks led by committed leaders. Emphasis is placed on leadership approaches in the Islamic faith to enhance leadership quality and foster dynamism within Malaysian private companies. Zaim et al. (2022) indicated that the commitment of leaders and employees to uphold Islamic ethics in the workplace is essential for realizing the organization's mission and vision. To manage employees effectively within a competitive job market, fostering high organizational commitment necessitates a leader's adherence to Islamic ethics. Sensitivity to these principles is crucial for effective implementation. Islamic faith thus plays a pivotal role in shaping a leadership paradigm characterized by fairness, integrity, responsibility, and a focus on the welfare of the people within the organizational context. Such values provide a robust foundation for cultivating a positive work environment and making meaningful societal contributions (Basir et al., 2016). In practical terms, dynamic organizations have the potential to enact change among stakeholders, including their management, provided they have competent leaders. If lacking such leadership, organizations risk lagging in a non-dynamic environment. Within this context, leadership grounded in the Islamic faith is pivotal, particularly for the sustainability of organizations driven by objectives beyond mere profit. Undoubtedly, the administrative framework of leadership and organizational management continually evolves in response to changing times, situations, and circumstances (Rafiki, 2020). However, adherence to principles rooted in the Islamic faith remains a necessity. Consequently, organizational leadership must consistently adapt its approaches to planning, organizing, coordinating, and decision-making, guided by the Islamic faith for organization improvement.

This research gap refers to the void in leadership studies between the West and Islam. Although much research has been conducted from a Western perspective, there is a dearth of studies on leadership from an Islamic standpoint. Specifically, this gap may encompass several aspects, including differences in views and concepts of leadership between the West and Islam. More in-depth research is needed to comprehend these disparities and their impact on leadership practices within their respective contexts. Leadership in Islam is often grounded in its ethical values: justice, trust, and wisdom. According to An-Nawawi (2021), a more thorough investigation is required to explore how these values shape the leadership style of Muslim leaders and how they compare with Western approaches to leadership ethics. Leadership is not solely influenced by religious values; it is also shaped by culture and social context. This research gap may also entail how the culture and context of Islamic society influence leadership practices and how they contrast with practices in Malaysia.

Many leadership principles advocated by Western scholars have been widely adopted across various countries, including numerous Islamic nations. Interestingly, the rich legacy of Islamic leadership, as exemplified by Prophet Muhammad and the four *Khalifas* (the Rightly Guided Caliphs), who governed for fifty years (611–661), often goes overlooked. During this era, leaders served as protectors, guides, representatives, and sources of inspiration for their people, drawing from the teachings of the Qur'an and Hadith (Bahadori et al., 2021). This exemplary model of Islamic leadership, emphasizing obligations and responsibilities, deserves more attention and implementation among Muslims worldwide. Today, a prevailing issue in organizational leadership revolves around profit-driven motives, neglecting broader ethical and societal obligations prescribed by the Islamic perspective. Based on Daud et al. (2019), although numerous studies have explored effectiveness from a Western perspective, less attention has been given to assessing leadership effectiveness from an Islamic viewpoint.

Further research is warranted to evaluate how leadership guided by Islamic values can positively impact organizational and societal effectiveness. By addressing this research gap, we can attain a more comprehensive understanding of leadership from diverse perspectives, contributing significantly to leadership theory development and more effective leadership practice enhancement. This study has identified a lack of comprehensive research exploring the intersection of Islamic principles, leadership, and organizational psychology. Hence, this study is crucial to assess the impact of Islamic faith on leadership approaches and organizational dynamics within Malaysian work environments.

RATIONALE OF STUDY

This study explores the intricate relationship between Islamic faith, leadership styles, and organizational dynamics within Malaysian workplaces, leveraging the country's diverse cultural and religious landscape. By delving into how Islamic principles shape leadership practices and organizational behaviors, this research offers practical implications for companies seeking to align their operations with cultural and religious values, fostering a more harmonious work environment. Furthermore, by empirically assessing this relationship, the study contributes to the academic discourse, filling a gap in the literature and providing nuanced insights specific to the Malaysian context. Considering Malaysia's multicultural society, understanding the influence of the Islamic faith on leadership and organizational behavior also holds significance for promoting social cohesion and inclusivity. Ethical considerations underscore the importance of integrating principles derived from Islamic teachings into management practices, promoting fairness, justice, and compassion. Overall, this research touches on the complex interplay between Islamic faith, leadership styles, and organizational dynamics, offering practical insights for organizational leaders, scholars, and policymakers alike.

OBJECTIVE OF THE STUDY

The primary objective of this research is to conduct an empirical assessment of how the Islamic faith influences leadership styles and organizational dynamics within Malaysian companies. The specific objectives are as follows:

1. To analyze the impact of the Islamic faith and leadership approaches in Malaysian work environments
2. To analyze the impact of the Islamic faith and organizational dynamics in Malaysian work environments
3. To investigate the impact of leadership approaches and organizational dynamics in Malaysian work environments
4. To analyze the impact of the Islamic faith on leadership approaches and organizational dynamics in Malaysian work environments

RESEARCH QUESTIONS

Based on the objectives above, the research questions are as follows:

1. How does the Islamic faith influence leadership approaches in Malaysian work environments?
2. What is the impact of the Islamic faith on organizational dynamics within Malaysian work environments?
3. How do leadership approaches affect organizational dynamics in Malaysian work environments?
4. To what extent does the Islamic faith influence leadership approaches and organizational dynamics in Malaysian work environments?

RESEARCH FRAMEWORK

This section explains the research framework built based on the literature review and research objectives. This model contains three variables: the independent variable is leadership approaches, the mediating variable is the Islamic faith, and the dependent variable is organizational dynamic. This framework outlines the direction of the research hypothesis to be tested and is illustrated in Figure 1.

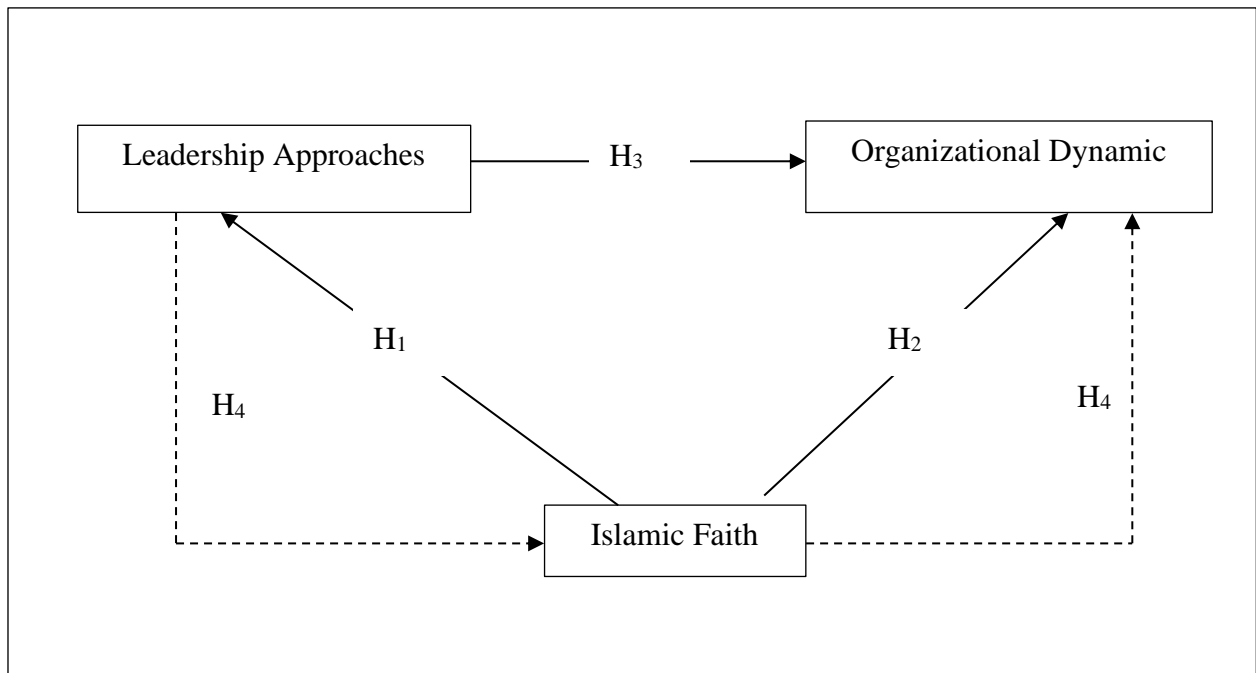


Figure 1. Research Framework

Hypothesis 1 (H_1): There is a significant relationship between Islamic faith and leadership approaches in Malaysian work environments.

Hypothesis 2 (H_2): Islamic faith has a significant impact on organizational dynamics in Malaysian work environments.

Hypothesis 3 (H_3): Leadership approaches significantly influence organizational dynamics in Malaysian work environments.

Hypothesis 4 (H_4): The impact of Islamic faith on leadership approaches interacts with organizational dynamics in Malaysian work environments.

LITERATURE REVIEW

Islamic Faith

Creed in Islam is related to faith, belief, and recognition of the six pillars of faith (Farāhī, 1998). According to the Quran and hadith, faith must be accompanied by good deeds to reach Heaven, and together with Islam and Ihsan, form the three main dimensions of Islam (Murata, 1994). A debate exists regarding the relationship between faith and reason, where some scholars insist that the two are compatible. Islamic faith covers theological aspects, individual behavior, social interaction, and government (Toor, 2008). Islamic ethics, based on unity, justice, and trust, taken from the Quran, Sunnah, Ijma' and Qiyas, offer comprehensive guidance for ethical life, including in business organizations (Rice, 2000). With an emphasis on balance and traditional moral norms, Islamic ethics lead to the good of society (Yom, 2002).

Leaderships Approaches

In realizing the organization's vision, implementing effective leadership styles, including democratic, transformational, transactional, bureaucratic, and autocratic leadership, is crucial. Democratic leadership involves cooperation and participation of team members in decision-making, increasing motivation and job satisfaction (Hassan et al., 2022). Transformational leadership provides inspiration and emotional support linked to commitment and better performance (Husti et al., 2019). Transactional leadership focuses on exchanges between leaders and followers, while bureaucracy emphasizes stable and orderly structures but can be less responsive to change (Jabbar et al., 2020). Autocratic leadership, where the leader makes decisions alone, is appropriate in urgent situations but can reduce motivation and innovation (Jain et al., 2018). Each style's effectiveness depends on the organization's types and needs.

Organizational Dynamics

Organizational dynamics encompass multiple forces, processes, and interactions that mold operational mechanisms and behavioral patterns organizations exhibit over time. Critical components within organizational dynamics include the organizational structure, culture, leadership approach, communication practices, teamwork dynamics, and change management strategies. Organizational structure delineates the formal alignment of roles, duties, and interconnections within an organization, dictating its hierarchy, departmental delineation, and reporting methods. Organizational culture embodies the shared values, beliefs, norms, and conduct that steer the actions of its members. Leadership style denotes leaders' methods and demeanor in influencing and directing individuals and teams. Communication patterns encapsulate the pathways through which information, feedback, and messages circulate within the organization, comprising formal avenues such as meetings and reports and informal channels like grapevine communication. Team dynamics encompass the interplays and relationships among team members, spanning cooperation, conflict resolution, decision-making processes, and team cohesion. These constituents collectively shape organizations' operational landscape and interaction paradigms within their internal milieu and external context.

Islamic Faith and Leadership Approaches

Islamic leadership combines cognitive excellence and emotional and spiritual balance, where the leader is considered a representative of God and a servant to Him. Islamic leadership theory emphasizes high ethics, which has a positive effect on the attitude of followers as well as organizational performance through ethical management principles (Gazi, 2020). This leadership promotes satisfaction, motivation, and positive spirit among followers, while spiritual values improve organizational performance (Ahmed et al., 2021; Iqbal et al., 2020). Leadership in Islam is a trust from God that needs to be fulfilled with justice and responsibility, not as power for personal gain (Husti & Mahyarni, 2019). Prophet Muhammad SAW is the best example, with his just, wise, and loving leadership (Jamian et al., 2013).

Islamic leadership also sees the leader's role as an act of worship that needs to be carried out by adhering to Islamic principles in making decisions and acting. The study found that leadership based on spirituality still needs further study, especially from the perspective of followers and a two-way approach to leading (Chaston & Lips-Wiersma, 2020). In this context, Rabbani's leadership provides an opportunity to develop a more holistic Sharia-compliant leadership, focusing on followers' and leaders' physical, mental, emotional, and spiritual needs (Nor, 2022). Aini (2020) suggests that Islamic ethics, whether directly or indirectly facilitated by Islamic leadership rooted in the Islamic faith, can invigorate organizational dynamics.

Islamic Faith and Organizational Dynamics

The relationship between Islamic beliefs and organizational dynamics is crucial in organizational management based on Islamic values. The Islamic creed provides a foundation of values that underlie organizational culture, with principles such as justice, honesty, responsibility, and love forming a comprehensive ethical guide for individual actions and organizational processes. This forms a solid basis for achieving the effectiveness and blessing of the organization (Jamian et al., 2013).

The influence of the Islamic faith can also be seen in organizational leadership. Leaders inspired by Islamic values tend to lead with fairness, empathy, and responsibility towards their followers. They see leadership as a form of trust from Allah SWT, and this gives them a high awareness of responsibility in the afterlife in every action and decision they take. Organizational culture influenced by Islamic beliefs leads to forming a work culture based on values such as simplicity, cooperation, and togetherness. A culture that focuses on fairness, openness, and honesty creates a harmonious work environment and strengthens the development of individuals and the entire organization (Jain et al., 2018).

In organizational dynamics, Islamic principles guide actions and decisions, including human resource management, ethical decision-making, and effective communication. Organizational practices based on Islamic values lead to higher performance, increase customer and employee satisfaction, and create a productive and harmonious work environment. The relationship between Islamic faith and organizational dynamics is a complex and effective unity. Islamic values form the moral and ethical basis for actions and decisions in the organization,

while the implementation of organizational practices influenced by Islam leads to the achievement of the effectiveness and blessings of the organization as a whole (Mohiuddin et al., 2013)

Leaderships and Organizational Dynamics

Leadership and organizational dynamics are interrelated in determining an organization's direction and performance. Effective leadership plays a major role in shaping culture, communication, and motivation in organizations, while empowering teams to achieve organizational goals (Husti et al., 2019). On the other hand, weak leadership can cause a loss of direction and conflict in the organization when team members are forced to assume roles without sufficient information (Salamun & Rahman, 2022). In addition, organizational dynamics require flexible and adaptable leaders who should encourage innovation and collaboration to ensure the survival of the organization's goals (Suharto, 2019).

Islamic Faith's Impacts on Relationships between Leaderships and Organizational Dynamics

The impact of Islamic beliefs on the relationship between leadership and organizational dynamics is significant in organizational management based on Islamic values. The Influence of Islamic-Based Leadership: Islamic beliefs provide strong moral and ethical guidance to leaders in managing organizations. Principles such as justice, honesty, and benevolence form the basis for a responsible and ethical leadership style. These principles lead to better relationships between leaders and organizational members and foster trust and stability in organizational dynamics. Formation of an Organizational Culture Based on Islamic Values: Islamic beliefs form an organizational culture based on Islamic values. An organizational culture promoting cooperation, simplicity, and love reflects Islamic principles, emphasizing justice and mutual well-being. This creates a harmonious work environment and supports individual and organizational growth (Zia et al., 2022).

Suharto et al. (2022) mentioned that leadership inspired by Islamic values affects an organization's work dynamics. Leaders who practice Islamic-based leadership tend to guide better, support, and motivate their teams. This leads to increased collaboration, creativity, and productivity in the organization. The Islamic creed provides clear guidance on conflict resolution and an organization's problem management. Leaders whose Islamic principles in dealing with conflict can promote dialogue, tolerance, and harmony in relationships between organizational members. The impact of Islamic beliefs on the relationship between leadership and organizational dynamics leads to better organizational effectiveness. By practicing Islamic values in organizational leadership and management, organizations can achieve their goals more efficiently and create an environment that favors the development and mutual success.

Theoretical Background

Theoretical background refers to the underlying concepts, principles, and frameworks that form the basis for research or study. In the context of leadership and organizational dynamics within the framework of the Islamic faith, various theoretical perspectives contribute to understanding and analyzing their relationship.

- a. Islamic Leadership Theory: This perspective delves into the principles and practices of leadership within an Islamic context, drawing upon teachings, principles, and historical examples like the leadership of Prophet Muhammad (peace be upon him) to guide leadership practices within Muslim organizations (Choudhury, 2019).
- b. Organizational Behavior Theory: This theory explores how individuals and groups behave within organizations, covering concepts such as motivation, communication, decision-making, and teamwork, all crucial aspects of organizational dynamics.
- c. Transformational Leadership Theory: Emphasizing the role of leaders in inspiring and motivating followers to achieve shared goals, this theory highlights leaders' ability to influence and empower others, foster a common vision, and drive innovation and change within organizations (Samuri, 2018).
- d. Islamic Ethics and Values: Derived from Islamic teachings, ethical principles and values provide a foundation for understanding organizational behavior and decision-making within Islamic organizations. Concepts such as justice, honesty, compassion, and accountability are fundamental to Islamic ethics and guide behavior within organizational settings (Suwaed, 2017).

- e. Systems Theory: Viewing organizations as complex systems with interconnected parts, systems theory helps comprehend how changes in one part of the organization affect others and the organization as a whole, thus shaping organizational dynamics.

By integrating these theoretical perspectives, researchers and practitioners can gain a holistic understanding of the intricate relationship between leadership, organizational dynamics, and Islamic faith. This interdisciplinary approach facilitates deeper exploration into how Islamic principles and values influence leadership practices, organizational behavior, and ultimately organizational effectiveness within Muslim communities.

METHODOLOGY

This study used a cross-sectional design that aimed to collect data at a single point in time to investigate the relationship between the variables studied. The study was quantitative, where data was collected quantitatively and analyzed using statistical methods. Simple random sampling was used, and respondents were randomly selected from the target population. The selected respondents represented various organizational levels and demographic backgrounds. Questionnaires were the main instrument to collect data (Sekaran, 2019). The study respondents were Muslim religious staff who worked in private companies and the government sector in Malaysia. This questionnaire measured beliefs, values, attitudes, and practices related to Islamic beliefs, leadership approaches, and organizational dynamics in the Malaysian work environment.

The data collected were analyzed using SPSS 28 statistical software to analyze descriptive data such as distribution statistics, descriptive statistics, hypothesis testing, and Structural Equation Model (SEM) analysis. In addition, SmartPLS software was used to analyze the structural model, testing the relationship between variables. Through this methodology, this study could provide an in-depth understanding of how Islamic beliefs influenced leadership approaches and organizational dynamics in the context of the work environment in Malaysia. Data analysis using quantitative methods allowed researchers to obtain significant insights that could be used to practically improve the effectiveness of organizations based on Islamic values. The Likert scale, a commonly used tool in survey research, allows respondents to express their agreement or disagreement with a series of statements. Typically, Likert scales range from 1 to 5, with 1 indicating "strongly disagree" and 5 indicating "strongly agree." Before delving into the results and presenting the data, the researcher conducted a pilot test for the research instrument. Below is the Cronbach's alpha test to assess the instrument reliability.

Table 1: Cronbach's alpha Result

Variable	Item	Cronbach's alpha
Islamic Faith	20	0.801
Leadership Approaches	25	0.815
Organizational Dynamics	24	0.788

Table 1 presents the results of Cronbach's alpha test conducted to assess the reliability of the research instrument across three key variables: Islamic Faith, Leadership Approaches, and Organizational Dynamics. For the Islamic Faith variable, consisting of 20 items, the Cronbach's alpha coefficient was found to be 0.801. This indicates a high level of internal consistency among the items measuring Islamic faith within the research instrument. The variable Leadership Approaches, comprising 25 items, yielded a Cronbach's alpha coefficient of 0.815. This suggests a strong internal consistency among the items assessing different leadership approaches. Lastly, the variable Organizational Dynamics, which consisted of 24 items, exhibited a Cronbach's alpha coefficient of 0.788. This indicates a satisfactory level of internal consistency among the items measuring organizational dynamics within the research instrument. The Cronbach's alpha coefficients obtained for all three variables demonstrate acceptable levels of internal consistency, indicating that the research instrument is reliable for measuring the constructs of Islamic Faith, Leadership Approaches, and Organizational Dynamics in the study.

RESULT AND DISCUSSION

This section entails conducting descriptive data analysis for each outcome after data collection via questionnaires. Additionally, the researcher will discuss the study's findings, incorporating descriptive analysis commencing with the respondents' background, followed by regression analysis. Nevertheless, before the regression analysis, the researcher will verify the prerequisites for conducting the inference analysis. Below is a report detailing the results of the analysis.

Table 2: Demographic Profile

Variable	Category	Frequency	Percentage
Gender	Male	167	47.7
	Female	183	52.3
Age	18 to 25 years old	16	4.6
	26 to 32 years old	122	34.9
	33 to 40 years old	134	38.3
	above than 40 years old	78	22.3
Education Level	SPM and below	21	6.0
	STPM/Diploma	71	20.3
	Degree/Bachelor	182	52.0
	Master	31	8.9
	PHD	45	12.9
Years of Experiences	< 5 years	71	20.3
	5 to 10 years	87	24.9
	11 to 15 years	101	28.9
	16 to 20 years	91	26.0
Total		350	100

Table 2 revealed the demographic profile of the study participants, including gender, age, education level, and years of experience. Most participants were female, accounting for 52.3%, while male participants comprised 47.7%. Participants were distributed across various age groups, with the highest percentage falling within the age range of 33 to 40 (38.3%), followed by 26 to 32 (34.9%). A smaller proportion of participants were above 40 (22.3%) with the lowest percentage falling within the age range of 18 to 25 (4.6%). The majority of participants held a degree or bachelor's degree (52.0%), followed by STPM/Diploma (20.3%), PHD (12.9%), master's degree (8.9%), and SPM and below (6.0%). Participants had varying years of experience, with the highest percentage having 11 to 15 years of experience (28.9%), followed by 16 to 20 years (26.0%), 5 to 10 years (24.9%), and less than 5 years (20.3 %).

The Level of Islamic Faith on Leadership Approaches and Organizational Dynamics

Table 3: The Mean Score for Each Constructs

Variable	Mean Score	Level
Islamic Faith	4.31	High
Leadership Approaches	4.19	High
Organizational Dynamics	3.87	High

As seen in Table 3, the high mean scores across all variables suggest a strong influence of Islamic faith on leadership approaches and organizational dynamics within the context under study. The mean score for Islamic faith is 4.31, indicating a high level of Islamic faith among the participants. Similarly, the mean score for

leadership approaches is 4.19, suggesting a high level of adherence to certain leadership approaches influenced by Islamic principles. For organizational dynamics, the mean score is 3.87, also a high level. This indicates that organizational dynamics within the studied context are characterized by teamwork, communication, and adaptability, aligning with Islamic values and principles.

The Impact of Islamic Faith and Leadership Approaches in Malaysian Work Environments

Hypothesis 1: There is a positive relationship between Islamic faith and leadership approaches in Malaysian work environments.

Table 4: PLS-SEM Analysis between Islamic Faith and Leadership Approaches

No.	Hypothesis	OS	SM	SD	t	Sig.
H1	Islamic Faith → Leadership Approaches	0.135	0.134	0.053	2.54	0.015

OS=Original Sample, SM=Sample Mean, SD=Standard Deviation

The analysis to test Hypothesis 1 revealed a significant positive relationship between Islamic faith and leadership approaches in Malaysian work environments (OS= 0.135, t = 2.54, p = 0.015). This finding suggests that employees' higher levels of Islamic faith are associated with a propensity towards leadership approaches aligned with Islamic principles in Malaysian work settings. According to the results, the standardized regression coefficient for Islamic faith predicting leadership approaches was 0.135, indicating a positive effect. The t-value of 2.54 was significant at the 0.05 level (p < 0.05), suggesting that the relationship between Islamic faith and leadership approaches is statistically significant. This finding supports that Islamic beliefs and values shape leadership behaviors and approaches within Malaysian work environments. Leaders who prioritize Islamic principles may exhibit behaviors such as fairness, justice, and compassion, which are conducive to effective leadership practices. Consequently, organizations that foster an environment supportive of Islamic values may experience enhanced leadership effectiveness and organizational outcomes.

The Impact of Islamic Faith and Organizational Dynamics in Malaysian Work Environments

Hypothesis 2: There is a positive relationship between Islamic faith and organizational dynamics in Malaysian work environments.

Table 5: PLS-SEM Analysis between Islamic faith and organizational dynamics

No.	Hypothesis	OS	SM	SD	t	Sig.
H1	Islamic Faith → Organizational Dynamics	0.248	0.247	0.061	4.079	0.000

OS=Original Sample, SM=Sample Mean, SD=Standard Deviation

Referring to Table 5, PLS-SEM analysis conducted to test Hypothesis 2 indicates a significant positive relationship between Islamic faith and organizational dynamics in Malaysian work environments (OS= 0.248, t = 4.079, p = 0.000). This finding suggests that employees' higher levels of Islamic faith are associated with more positive organizational dynamics in Malaysian workplaces. The standardized regression coefficient of 0.248 indicates a positive effect, and the t-value of 4.079 is highly significant (p < 0.001), indicating that the relationship between Islamic faith and organizational dynamics is statistically significant. These results imply that Islamic values and principles are crucial in shaping organizational dynamics within Malaysian work environments. Organizations prioritizing Islamic principles may foster a workplace culture with fairness, cooperation, and mutual respect, leading to more positive organizational dynamics. This underscores the importance of incorporating religious and cultural factors in understanding and improving organizational behavior and effectiveness.

The Impact of Leadership Approaches and Organizational Dynamics in Malaysian Work Environments

Hypothesis 3: There is a positive relationship between leadership approaches and organizational dynamics in Malaysian work environments.

Table 6: PLS-SEM Analysis between leadership approaches and organizational dynamics

No.	Hypothesis	OS	SM	SD	t	Sig.
H1	Leadership Approaches → Organizational Dynamics	0.16	0.17	0.05	3.66	0.001

OS=Original Sample, SM=Sample Mean, SD=Standard Deviation

PLS-SEM analysis between leadership approaches and organizational dynamics in Malaysian work was analyzed and the result is in Table 6. The result revealed significant impacts of leadership approaches employed and organizational dynamics (OS = 0.16, t = 3.66, p = 0.001). This finding indicates that the leadership approaches employed within organizations are positively associated with the dynamics present within those organizations. Hypothesis 3 was supported. The standardized regression coefficient of 0.16 indicates a positive effect, and the t-value of 3.66 is highly significant (p < 0.01), demonstrating that the relationship between leadership approaches and organizational dynamics is statistically significant.

The Impact of Islamic Faith on Leadership Approaches and Organizational Dynamics in Malaysian Work Environments

Hypothesis 4: There is a mediating effect of Islamic faith on the relationship between leadership approaches and organizational dynamics in Malaysian work environments.

Table 7: PLS-SEM Analysis between leadership approaches and organizational dynamics

No.	Hypothesis	OS	SM	SD	t	Sig.
H1	Islamic Faith*Leadership Approaches → Organizational Dynamics	1.14	0.90	0.01	4.12	0.000

OS=Original Sample, SM=Sample Mean, SD=Standard Deviation

Table 6 indicates PLS-SEM analysis for the mediating role of the Islamic faith in the relationship between leadership approaches and organizational dynamics within Malaysian work environments. The statistical analysis reveals a significant relationship (OS=1.14, t = 4.12, p < 0.001) between the interaction of Islamic faith and leadership approaches and organizational dynamics. This result suggests that Islamic faith, when combined with effective leadership approaches, influences organizational dynamics. It implies that when integrated into leadership practices, values and principles derived from Islamic teachings contribute to shaping the overall dynamics and functioning of organizations in Malaysian work environments. The findings support the notion that the Islamic faith plays a crucial mediating role in how leadership approaches impact organizational dynamics. Leaders who incorporate Islamic principles into their leadership styles may foster a work environment characterized by cooperation, fairness, and moral integrity, thereby enhancing organizational effectiveness and performance. Hypothesis 4 was accepted.

CONCLUSION

In conclusion, this study investigated the impact of Islamic faith on leadership approaches and organizational dynamics within Malaysian work environments. Several key findings emerged through a comprehensive analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM). Firstly, the results indicated a significant positive relationship between Islamic faith and leadership approaches and organizational dynamics. This suggests that Islamic principles and values influence how leaders operate and interact within organizations, subsequently shaping organizational climate and dynamics.

The study found that leadership approaches had a direct positive effect on organizational dynamics. When combined with Islamic principles, effective leadership was associated with enhanced organizational dynamics characterized by cooperation, fairness, and employee satisfaction. Furthermore, the analysis revealed a mediating effect of the Islamic faith on the relationship between leadership approaches and organizational dynamics. This underscores the pivotal role of Islamic values in shaping leadership behaviors, which in turn impact organizational functioning and employee experiences.

The findings highlight the importance of integrating Islamic principles into leadership practices within Malaysian work environments. Organizations that embrace Islamic values in their leadership approach may foster a positive organizational culture, enhance employee morale and engagement, and ultimately achieve greater organizational effectiveness and success. These insights have significant implications for organizational leaders, policymakers, and practitioners seeking to create inclusive and values-driven work environments that align with Islamic principles while promoting organizational excellence and employee well-being. Moving forward, it is essential for organizations to recognize and leverage the transformative potential of the Islamic faith in shaping leadership practices and organizational dynamics for sustainable success and growth.

RECOMMENDATIONS

For future studies, several recommendations could enrich the understanding of the relationship between Islamic faith, leadership approaches, and organizational dynamics in Malaysian work environments. Longitudinal studies offer the opportunity to observe how these relationships evolve, providing insights into their long-term impact and sustainability. Additionally, conducting comparative studies across different industries, sectors, and cultural contexts within Malaysia can offer a more nuanced understanding of the influence of the Islamic faith on leadership and organizational dynamics. Qualitative research methods, such as interviews and case studies, would provide deeper insights into the experiences and perceptions of organizational members regarding integrating Islamic principles into leadership practices.

Furthermore, intervention studies could implement targeted initiatives to integrate Islamic values into leadership development programs or organizational policies, allowing for a practical assessment of their effectiveness. Evaluating the outcomes of such interventions would enable researchers to identify strategies that enhance leadership effectiveness and organizational performance in the Malaysian context. For organizations in Malaysia, investing in leadership development programs that incorporate Islamic principles and values is recommended. Cultivating a values-driven organizational culture grounded in justice, integrity, and compassion should be prioritized, with leaders promoting open communication, collaboration, and empathy to foster a supportive work environment. Embracing diversity and inclusion initiatives that respect and celebrate employees' religious and cultural backgrounds is crucial, along with upholding ethical governance practices aligned with Islamic principles of transparency, accountability, and social responsibility. By implementing these recommendations, organizations in Malaysia can create more inclusive, ethical, and effective work environments that resonate with Islamic values, ultimately fostering organizational excellence and sustainable growth.

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