

THE IMPACT OF TRANSFORMATIONAL LEADERSHIP, ISLAMIC
SPIRITUALITY, ORGANIZATIONAL COMMITMENT AND CITIZENSHIP
BEHAVIOR ON EMPLOYEE PERFORMANCE: AN EMPIRICAL
STUDY OF ISLAMIC INSURANCE (TAKAFUL)
INDUSTRY IN MALAYSIA

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ACADEMY OF ISLAMIC STUDIES
UNIVERSITY OF MALAYA
KUALA LUMPUR

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**THESIS SUBMITTED IN FULFILMENT OF THE
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ABSTRACT

In the service sectors such as insurance and Islamic insurance (Takaful), employee behaviour can have a significant impact on an organisation's performance, success, and service quality. It is observed that the attitude of takaful agents is considered a vital factor that influence customers to maintain and retain their policies and products. Agents of Islamic insurance (Takaful) are in charge of the business vision and philosophy of giving quality information, advice to clients and promoting a company's products. Therefore, a key concern of takaful operators should be how to attain positive attitudes from their employees and motivate them to be more committed, productive, and effective within their organisation. This issue has raised a critical research agenda that requires attention to identifying and testing the critical factors which are recommended for the successful and effectiveness of an organisation and investigate their impact on employee performance. As such, this empirical study explores the impact of various factors on the performance of takaful agents in Malaysia. More specifically, this study explores the role of transformational leadership, Islamic spirituality, organisational commitment, and Organisational Citizenship Behaviour (OCB) in enhancing organisational effectiveness and employee performance of the Malaysian takaful industry. A theoretical framework was developed based on a review of past literature. Accordingly, the framework was tested using primary data obtained from a survey of 513 employees/agents in Klang Valley, which is considered the hub of all takaful activities and contains maximum takaful agencies compared to the rest of Malaysia. Data obtained from respondents were analysed using descriptive analysis, exploratory and confirmatory factor analysis with two statistical analysis software application: SPSS and AMOS. After the measurement model has achieved acceptable results and proved to have

goodness-of-fit, the next step was to test the full structural model and the proposed research hypotheses as postulated in the model. A total of twelve hypotheses were proposed in this study based on extensive review of the literature, out of which, eleven were supported. The findings of this research revealed that job performance appeared to have been directly and indirectly influenced by all constructs. All direct hypotheses proposed in the present study were supported except the structural path between Islamic spirituality and employee performance. Further, it was revealed that organisational commitment partially mediated the relationship between transformational leadership and OCB, and between Islamic spirituality and OCB. In addition, OCB partially mediated the relationship between transformational leadership and job performance, while fully mediated the relationship between Islamic spirituality and job performance. The findings of this research would have implications for policy makers and top management in the human resources development of service organisation sector, particularly the takaful industry. Policy makers and top management can use the empirical findings of this research as a valuable input to justify their efforts in developing and implementing appropriate learning and performance improvement initiatives.

ABSTRAK

Dalam sektor perkhidmatan seperti insurans dan insurans Islam (Takaful), tingkah laku pekerja boleh memberi kesan yang besar ke atas prestasi, kejayaan, dan kualiti perkhidmatan organisasi. Ianya dapat dilihat melalui sikap ejen takaful yang dianggap sebagai faktor penting yang mempengaruhi pelanggan untuk mengekalkan polisi dan produk-produk mereka. Ejen insurans Islam (Takaful) bertanggungjawab bagi visi dan falsafah perniagaan dalam memberikan maklumat yang berkualiti, memberi nasihat kepada pelanggan dan mempromosikan produk-produk syarikat. Oleh itu, perkara utama bagi pengendali takaful ialah bagaimana untuk meraih sikap positif daripada pekerja-pekerja dan mendorong mereka supaya menjadi lebih komited, produktif, dan efektif kepada organisasi. Isu ini telah membangkitkan agenda kajian yang penting di mana ianya memerlukan perhatian bagi mengenal pasti dan menguji faktor-faktor penting yang disyorkan bagi kejayaan dan keberkesanan sesebuah organisasi serta mengkaji kesannya terhadap prestasi pekerja. Justeru, kajian empirikal ini akan mengkaji pelbagai faktor terhadap prestasi pekerja agensi takaful di Malaysia. Secara khususnya, kajian ini mengkaji peranan kepimpinan transformasi, kerohanian Islam, komitmen berorganisasi, dan Tingkah Laku Kewarganegaraan Berorganisasi (OCB) dalam meningkatkan keberkesanan berorganisasi dan prestasi pekerja dalam industri takaful di Malaysia. Rangka kerja teori telah dibangunkan berdasarkan penilaian penulisan sebelum ini. Kemudian, rangka kerja ini telah diuji dengan menggunakan data primer yang telah diperolehi daripada kaji selidik terhadap 513 pekerja / ejen di Lembah Klang, yang dianggap sebagai pusat bagi semua aktiviti takaful dan mengandungi agensi takaful terbanyak berbanding kawasan lain di Malaysia. Data yang diperolehi daripada responden telah dianalisis menggunakan analisis faktor deskriptif, eksploratori dan pemastian faktor

melalui dua aplikasi perisian analisis statistik: SPSS dan AMOS. Setelah model ukuran telah mencapai keputusan yang boleh diterima serta terbukti mempunyai kebaikan suai, langkah seterusnya adalah menguji model berstruktur penuh dan hipotesis kajian yang dicadangkan sebagaimana yang diandaikan di dalam model. Sebanyak 12 hipotesis telah dicadangkan di dalam kajian ini berdasarkan sorotan literatur yang menyeluruh, di mana 11 hipotesis telah disokong. Hasil kajian ini mendapati prestasi kerja dipengaruhi oleh semua perkara sama ada secara langsung atau tidak langsung. Semua hipotesis langsung yang dicadangkan di dalam kajian ini telah disokong kecuali struktur laluan di antara kerohanian Islam serta prestasi pekerja yang tidak disokong. Selain itu, ia telah menunjukkan bahawa komitmen berorganisasi sebahagiannya adalah pengantara hubungan di antara kepimpinan transformasi dan OCB; serta di antara kerohanian Islam dan OCB. Di samping itu, OCB sebahagiannya menjadi pengantara hubungan di antara kepimpinan transformasi dan prestasi kerja, manakala pengantara sepenuhnya hubungan di antara kerohanian Islam dan prestasi kerja. Secara keseluruhan, penemuan kajian ini akan memberikan kesan terhadap pembuat dasar dan pengurusan tertinggi di dalam pembangunan sumber manusia bagi sektor organisasi perkhidmatan secara am dan industri takaful khususnya. Pembuat dasar dan pengurusan tertinggi boleh menggunakan penemuan empirikal kajian ini sebagai input yang berharga untuk mewajarkan usaha mereka dalam membangunkan dan melaksanakan inisiatif pembelajaran dan peningkatan prestasi yang sesuai.

DEDICATION

I dedicate this thesis to my parents, Salah and Fatima Saadoun, and to my partner in life Aya Testas.

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LIST OF SYMBOLS AND ABBREVIATIONS

AMOS	:	Analysis of Moment Structure
BNM	:	Bank Negara Malaysia
CFA	:	Confirmatory Factor Analysis
DV	:	Dependent Variable
EFA	:	Exploratory Factor Analysis
EP	:	Employee Performance
et al.	:	And others
IS	:	Islamic Spirituality
IV	:	Independent Variable
JP	:	Job Performance
OC	:	Organisational Commitment
OCB	:	Organisational Citizenship Behaviour
PBUH	:	Peace Be Upon Him
S.W.T	:	Subhanahu Wa Ta'ala (Praise be to <i>Allāh</i> and the Most High)
SEM	:	Structural Equation Modelling
SPSS	:	Statistical Package for Social Sciences
TL	:	Transformational Leadership

TRANSLITERATION TABLE

CONSONANTS:

أ	'	ر	r	غ	gh
ب	b	ز	z	ف	f
ت	t	س	s	ق	q
ث	th	ش	sh	ك	k
ج	j	ص	ṣ	ل	l
ح	ḥ	ض	ḍ	م	m
خ	kh	ط	ṭ	ن	n
د	d	ظ	ẓ	هـ	h
ذ	dh	ع	'	و	w
				ي	y

VOWELS:

Monophthongs	Diphthongs (examples)	Geminate (examples)
ا ā	قَوْمَ qawm	أُخُوَّةُ ukhuwwah
و ū	جَيْلَ jayl	وَ (final form) ū
ي ī		أُمِّيَّةُ ummiyyah
ى ā		يَّ (final form) ī

CHAPTER 1: INTRODUCTION

This chapter presents an overview of the study. It contains nine sections. The first section provides a background of the study; the second section presents the problem statement of the study; while the third and fourth sections discuss the research questions and objectives of the study. The fifth and sixth sections present the scope and significance of the study respectively; while the last section presents the definition of the main terms used in this study. Finally, this chapter outlines the structure of the proposal.

1.1 BACKGROUND OF THE STUDY

Organisational behaviour science has been a focal point for at least three decades. We are now in the new millennium; there are still significant human problems faced by many organisations across the industries. Human resource researchers are still grappling with employee-related problems contributing to the lower performance level and organisational performance (Achour, 2012). In the past decades, managers were preoccupied with restructuring their organisation to improve employee's performance and enhancing their productivity to meet competitive challenges in the international marketable and quality expectations of customers (Luthans, 2005). Corporate organisations are spending billions of dollars to enhance employee work performance and enable them to attain the organisational objectives and targets established by the organisation. Employee work attitude and service performance are critical to achieving business objectives as well as competitive advantage and performance efficiency (Karatepe & Sokmen, 2006).

In Malaysia, the role of takaful agents as intermediaries between customer and insurer is becoming more and more important today. The statistics show that the

number of family takaful agents increased from 44,222 in 2008 to 68,009 in 2012. However, the takaful penetration for family takaful in Malaysia is still relatively low compared to the conventional insurance industry with 11% penetration rate for family takaful compared with 43% penetration rate for conventional life insurance (Mohd Irwan, 2013). Fauzi et al. (2016) stated that, despite the robust growth of takaful industry in Malaysia, the penetration rate remained small compared to the conventional insurance. Besides, the conventional insurance in Malaysia continues to yield higher returns than takaful industry. For instance, return on equity of conventional insurance recorded 17% growth compared to 4% in the takaful industry. Similarly, the investment return for the takaful industry reached only 6% while conventional insurance yielded double at 12% (World Takaful Report, 2012). This shows that there are factors that should be addressed by takaful operators and agency force to fully realise this enormous potential for family takaful and to reach the untapped potential market. Consequently, takaful operators need to depend on their agents as intermediaries between customers and insurers and empower them to remain in this very competitive environment and to be the driving force of family takaful growth.

An important area where scholars are initiating inquiries is the domain of leadership style and policy matters (Choudhary, Akhtar, & Zaheer, 2013). A number of studies showed that leadership is considered to play a vital role in causing changes necessary for effective management (Kim, 2013). According to Bandsuch, Pate, & Thies (2008), leadership and organisation support the theory that effective leadership is playing a critical role in the creation of a successful organisation. Moreover, effective and successful leaders have the ability to transform organisations through clarifying their vision for the future. As a result, they can empower the employees to

take responsibility for achieving that vision which resulting in optimised organisational performance and serve the interests of all stakeholders (Ayman & Korabik, 2010). Skilled leaders are, certainly, the key elements in influencing job performance and ultimately the overall organisational performance and effectiveness (Babcock-Roberson & Strickland, 2010).

Among many types of leadership, transformational leadership has been particularly emphasised in connection with enhancing employee performance and contributing to organisations' attempts at improving job performance (Bass & Avolio, 1995; Gregory Stone, Russell, & Patterson, 2004; Kim, 2013; Kirkman, Chen, Farh, and Lowe, 2009). In their study, Collins and Holton III (2004) completed a meta-analysis of 103 leadership development studies conducted over the last 19 years and noted that there is a growing focus on training in transformational leadership. Transformational leadership is one of the theories of leadership (Bono & Judge, 2004) which motivates and inspires followers to attain the firm's goals (García-Morales, Lloréns-Montes, & Verdú-Jover, 2008), stimulate innovation and knowledge and generates advantages for organisational performance (Howell & Avolio, 1993), and model and promote ethical behaviours consistent with the values of organisational (Bass, 1985). Moreover, Bass (1985) stated that transformational leadership is about achieving "performance beyond expectation". In line with this contention, the aim of the current study is to examine how transformational leadership behaviours are related to employee performance so that it can be managed to influence these behaviours in work organisations in Malaysia positively, specifically in Islamic insurance.

In addition to the role of transformational leadership on the organisational behaviour and enhancing employee performance, literature supporting the claim that spirituality also exercises a significant impact on personal attitudes and behaviours and can play a major role in overcoming the problems that may face organisations such as the lack of job satisfaction, poor work performance and lack of organisational commitment (Ahmadi, Nami, & Barvarz, 2014; Emmons, 1999; Gupta, Kumar, and Singh, 2014). A growing body of literature reveals that workplace spirituality values have been proposed as a new perspective to organisational success and performance (Kazemipour & Mohd Amin, 2012). Rego and Pina e Cunha (2008) mentioned that when employees feel involved within a richly spiritual organisational climate, they become more attached and loyal to their organisations, and act in a more engaged and collaborative manner. Thus, employees develop a psychological attachment to the organisations and become more committed and productive within their organisation. Moreover, several studies have been conducted on the concept of spirituality within the workplace and extol the benefits of workplace spirituality within organisations citing a positive outcome and increase in employees' performance levels. These studies proved that companies respecting spirituality in the workplace tend to exemplify commitment and productivity among employees (Ashmos & Duchon, 2000; Giacalone & Jurkiewicz, 2003; Gupta et al., 2014; Harrington, Preziosi, & Gooden, 2001; Lee, Sirgy, Efraty, & Siegel, 2003; Milliman, Czaplewski, & Ferguson, 2003; Rego & Pina e Cunha, 2008). Besides that, spirituality also improves and sustains human well-being, which leads to happiness and satisfaction among employees and as a consequence tend to exemplify to organisational citizenship behaviour (OCB) (Avey, Wernsing, & Luthans, 2008; Krishnakumar & Neck, 2002; Miles, Borman, Spector, & Fox, 2002).

According to Pawar (2009), workplace spirituality is considered a significant precursor of organisational citizenship behaviour (OCB), which improves human wholeness and, subsequently enhances organisational performance.

Although a number of studies have been conducted on the concept of spirituality in the workplace and the benefits of workplace spirituality on organisations outcome and performance level (Ashmos & Duchon, 2000; Robert A. Giacalone & Jurkiewicz, 2003; Harrington, Preziosi, & Gooden, 2001; Lee, Sirgy, Efraty, & Siegel, 2003; Milliman, Czaplewski, & Ferguson, 2003), very little research has been attempted from the religious perspective (Kamil, Ali Hussain, & Sulaiman, 2011). In other words, most research has been addressed from a Western value system which may not be necessarily familiar with the Islamic perspective of spirituality (Kamil et al., 2011). As such, this research attempts to study spirituality from the Islamic management perspective and enrich the understanding of Islamic spirituality in the workplace and its contribution to the overall development of the modern organisation.

Management scholars are also being encouraged to conduct empirical work in the organisational citizenship behaviour (OCB) domain. A number of researchers have shown that organisational performance and effectiveness is enhanced when individual workers accept additional responsibilities, adherence to rules and procedures of the organisation, maintaining and developing a positive attitude, and volunteer and go beyond their role requirement to perform activities that benefit the organisation (Ahmadi et al., 2014; Podsakoff, Ahearne, & MacKenzie, 1997; Podsakoff & MacKenzie, 1997). However, in a perfect management system, it is difficult to attain a high level of organisational effectiveness with employees

performing only their job duty and requirement (Tsai & Wu, 2010). Therefore, most management systems encourage extra behaviour and attitudes that enhance organisational development. Self-initiated and positive employee behaviour is called organisational citizenship behaviour (OCB) (Organ, 1988; Organ, Podsakoff, & MacKenzie, 2006; Podsakoff, MacKenzie, Paine, & Bachrach, 2000). Organ (1988) suggested that OCB effectively attributes financial and human resources, as well as assist organisational efficiency in operations. Podsakoff and MacKenzie (1997) stated that helping, which is one of OCB's dimensions, was found to enhance the sense of belonging to an organisation and employee morale, thus sequentially help the organisation to retain employees. The concept of OCB has recently received significant attention among researchers. Research has shown that OCB is an essential construct that enhances individual workers to go beyond their role requirement and to perform activities that benefit the organisation; and lead to greater coordination among employees, lower turnover, organisational adaptability, profitability, and customer satisfaction (Koys, 2001; Podsakoff & MacKenzie, 1994). Moreover, organisational management encourages extra behaviour which is called OCB to increase employee performance as well as organisational effectiveness (Organ et al., 2006).

Another factor besides the role transformational leadership, workplace spirituality, and OCB is organizational commitment which has been linked to increased productivity, employee performance and ultimately enhance and develop organisational effectiveness (Buitendach & De Witte, 2005; Meyer & Herscovitch, 2001). Organisational commitment is one of the most widely examined variables in the literature. This wide interest is possibly owing to the impact of organisational commitment on attitudes and behaviours such as intention to leave, turnover,

organisational citizenship behaviours, and attitudes towards organisational changes and maintaining a high level of performance in the organisation (Allen & Meyer, 1996, 2000; Meyer & Herscovitch, 2001). A number of studies have suggested that enhancing organizational commitment among employee is an important aspect for performing better. This has been proven by many previous empirical researches which have typically highlighted the importance of organisational commitment (Avolio, Zhu, & Bhatia, 2004; Gong, Law, Chang, & Xin, 2009; Jaussi, 2007; Kim, 2012; Mowday, Porter, & Steers, 1982; Riketta, 2008). However, empirical research that investigates the relationship between organisational commitment, Islamic spirituality and transformational leadership are limited. As such, exploring the link between these constructs would add significantly to the body of literature and strengthen the empirical research of employee performance.

In service sectors such as insurance and takaful, employee behaviour can have a significant impact on organisation's performance, success, and service quality. Studies related to factors impacting employee performance of takaful industry have been examined by few researchers (Daud, Remli, & Muhammad, 2013; Remli, Daud, Zainol, & Muhammad, 2013; Salleh & Kamaruddin, 2011). Most of these studies, however, focused on market orientation, innovation, and personality attributes in determining job performance of takaful operators. However, less emphasis has been given to test those factors (transformational leadership, Islamic spirituality, OCB, and organisational commitment) which are recommended for the successful of organisational effectiveness and job performance. In the takaful industry in Malaysia, there is a great need to test those factors which are: a) identified previously but not tested in the takaful industry, b) reported statistically significant over time, and c) recommended by researchers for future examination.

To the author's knowledge, after carefully reviewing literature, this is the first attempt exploring organisation citizenship behaviour and job performance in the takaful industry where transformational leadership and Islamic spirituality in the workplace are considered. As such, this research is needed to validate and confirm the effect of various factors (transformational leadership, Islamic spirituality, OCB, and organisational commitment) towards employee performance of takaful operators in Malaysia. This research aims primarily at addressing that gap in the literature by investigating and exploring the role of transformational leadership, Islamic spirituality, OCB, and organisational commitment in enhancing organisational effectiveness and job performance of the Malaysian takaful industry. Besides, the current study represents one of the first attempts to examine the mediating role of organisational commitment in the relationship between transformational leadership and OCB and between Islamic spirituality and OCB; and the mediating role of OCB in the relation between transformational leadership and employee performance; and between Islamic spirituality and employee performance. Hence, exploring the link between transformational leadership, Islamic spirituality, organisational commitment, and OCB would add significantly to the body of literature and strengthen the empirical research of employee performance and ultimately enhance and develop organisational performance.

1.2 STATEMENT OF THE PROBLEM

In the insurance and Islamic insurance (Takaful) sector, marketing systems for the sale of life insurance have improved immensely over time. As a consequence, conventional approaches for selling insurance have noticeably changed, and new marketing models and systems have arisen (Rejda, 2003). Thus, an effective marketing system is necessary to an insurance company's survival. Some insurers

use new marketing systems and methods such as direct mail, broadcast advertising or use the internet to sell their products. However, agents seem to be the driving force for most companies (Dubinsky, Childers, Skinner, & Gencturk, 1988). Gupta, Kumar, and Singh (2014) stated that insurance business is completely people oriented; its human resources are in charge for the business vision and philosophy of giving quality information and advice to clients and selling a company's products. In the same way, a takaful agent is responsible for disseminating and promoting takaful products, providing quality information and service to customers.

Similar to conventional insurance products, takaful products are actively sold with the salesman initiating contact. In other words, only a few customers voluntarily initiate contact with takaful operators to subscribe to a takaful policy. Therefore, takaful companies have to depend on proactive agents who are willing to consult, explain and persuade the customer about takaful products (Abdul Hamid, Ab. Rahman, Ya'amob, & Yakob, 2010). In Malaysia, the role of agents as intermediaries between customer and insurer is becoming more and more important today. The statistics show that the number of family takaful agents increased from 44,222 in 2008 to 68,009 in 2012. However, the takaful penetration for family takaful in Malaysia remained small compared to the conventional insurance industry with 11% penetration rate for family takaful compared with 43% penetration rate for conventional life insurance (Mohd Irwan, 2013 and Fauzi et al. 2016). Moreover, the conventional insurance in Malaysia continues to yield higher returns than takaful industry. For instance, return on equity of conventional insurance recorded 17% growth compared to 4% in takaful industry. Similarly, the investment return for the takaful industry reached only 6% while conventional insurance yielded double at 12% (world takaful report, 2012).

To remain in this very competitive environment and to be strong peer to conventional insurance, takaful companies need to depend on their agents as intermediaries between customers and insurers to achieve a high profit margin and a large market share. Because of this, employees are pressured to work overtime and to take fewer holiday and breaks. As such, employees might get stressed at work, which reduces performances. This leads to an uncommitted attitude towards their organization; exacerbates the rate of absenteeism and increases employee turnover resulting from burnout. Ultimately, agents whom are disinclined to improve their knowledge and skills often cannot convince the customers about the importance of takaful insurance policies. As a consequence, this leads to a reduction in sales productivity and ultimately the agent will leave the industry (Abdul Hamid and Rahman, 2011).

Furthermore, Marhanum (2014a) mentioned that marketing practice and attitude of takaful agents are the main factors that influence customers to maintain and retain their policies and products. To illustrate, the agent of takaful operators works within a commission structure and prioritise products giving them the highest commission. In doing so, there is a tendency to neglect the needs of the customer. Some agents sell both takaful and conventional policies simultaneously, often persuading the customer to purchase conventional products, by purporting that the equivalent Islamic products are complex, unattractive, and expensive (Marhanum, 2014b). These attitudes by takaful agents will influence the overall organisation performance and lead to a reduction in sales productivity and ultimately; effect the existence of takaful operators. Thus, it is observed that agents' behaviour and attitude can have a significant impact on service quality, sales productivity and an organisation's performance. Hence, a key concern of takaful operators should be

how to attain a positive attitude from their employees and motivate them to be more committed, productive, and effective within their organisation. Given these problems, this study attempts to explore the impact of various factors on the employee's performance of takaful agencies in Malaysia. The following section discussed the research questions, and objectives addressed in this study.

1.3 RESEARCH QUESTIONS

The major purpose of this study is to determine and validate the effect of transformational leadership, Islamic spirituality, OCB, and organisational commitment on employee performance in the takaful industry in Malaysia. Therefore, the following research questions of this study are:

1. What are the underlying dimensions of employees/job performance as perceived by the agents of takaful operators?
2. What is the effect of transformational leadership (TL) on organisational commitment, OCB, and employee performance?
3. What is the impact of Islamic spirituality (IS) on organisational commitment, OCB, and employee performance?
4. How relevant is the construct of organisational commitment to OCB, and OCB to job performance as perceived by the agents of takaful operator?
5. Does organisational commitment play the role as a mediating variable in the relationship between TL and OCB, and between IS and OCB?
6. Does OCB play the role as a mediating variable in the relationship between TL and employee performance, and between IS and employee performance?

1.4 RESEARCH OBJECTIVES

The general objectives of this study are to validate and confirm, in an integrative conceptual model, those factors which are responsible for the success of organisational effectiveness and employee performance in the takaful agencies and to investigate the impact of these factors on the takaful industry. Moreover, this study will investigate the mediating role of two constructs, namely, organisational commitment and organisational citizenship behaviour in a comprehensive model developed for the success of organisational effectiveness and job performance of the takaful industry. Therefore, the specific objectives of this study are:

1. To find the underlying dimensions of employee/job performance from the perspective of takaful agents.
2. To determine whether transformational leadership would affect OCB, organisational commitment, and employee performance of takaful operators.
3. To explore in-depth the impact of Islamic spirituality on organisational commitment, OCB, and employee performance.
4. To validate the impact of organisational commitment on OCB, and OCB on employee performance.
5. To explore the mediating impact of organisational commitment between TL and OCB, and between IS and OCB.
6. To assess the mediating impact of OCB between TL and employee performance, and between IS and employee performance.

1.5 SCOPE OF THE STUDY

A quantitative method will be used in this research to establish, validate relationships and to develop generalisation that contributes to theory (Leedy & Ormrod, 2001). This study focuses on the impact of various factors on the employee performance of takaful operators in Malaysia. As such, the purpose of this research is to confirm and validate the effect of transformational leadership, Islamic spirituality, organisational commitment, and OCB on employee performance and examine the causal relationship between the variables.

1.6 SIGNIFICANCE OF THE STUDY

The study explores the relationship between transformational leadership, Islamic spirituality in the workplace, OCB, organisational commitment, and employee performance of Islamic insurance in Malaysia. Findings of this study will be useful to managers and decision-making levels of the takaful industry to enhance and upgrade organisation effectiveness and raising employee productivity. Also, the development occurring in the financial sector and insurance sector make Malaysia an appropriate setting to examine the relationship between transformational leadership, Islamic spirituality, OCB, organisational commitment, and employee performance. Examining the potential relationship between these variables will contribute to the knowledge development of established constructs on a broader international level. Another significant contribution of this study is the contribution to the theory by not only identifying and testing critical factors for employee performance but also proposes and validates a comprehensive model for successful implementation of employee performance in Islamic insurance companies. The results of this study will provide evidence that Islamic spirituality in the workplace and transformational

leadership support positive organisational commitment and OCB, which, in turn, are linked to employee performance.

1.7 DEFINITION OF KEY TERMS

Throughout this study, the following terms are referred to frequently:

1.7.1 Employee Performance (EP)

Employee performance is the most widely studied criterion in the organisational behaviour and human resources management (Campbell, McHenry, & Wise, 1990; Heneman, 1986; Schmidt & Hunter, 1992). According to Abdul Hamid and Rahman (2011), there are three types of employee performance measurement. The first category is the measure of output rates, the amount of sales over a given period, the production of a group of employees reporting to managers. The second category involves rating of individuals by someone other than the person whose performance is being considered. The third type of performance is self-appraisal and self-rating. Babin and Boles (1996) stated that job performance directs towards organisational expectations and requirements, and work behaviour that is in line with organisational requirements like work quality and quantity, efficiency and accuracy of the work, and meeting performance standards and expectation. In short, it is a process of matching between individual and organisation goals, needs, values and expectations. In the present study, job performance and employee performance are used interchangeably to describe what seems to be a similar construct.

1.7.2 Transformational Leadership (TL)

Transformational leadership was initiated by Burns (1978) and then developed by Bass (1985). To elaborate, Bass's (1985) theory of transformational leadership was based on the prior work of Burns (1978) where Bass developed Burns' ideas and

posited the formal concept of transformational leadership (Gregory Stone et al., 2004). According to Burns (1978), transformational leadership "occurs when a leader engages with one or more in such a way that leaders and followers raise one another to higher levels of motivation and morality" (p. 20). Bass (1990) stated that transformational leadership is defined as the process by which a leader transforms followers by teaching and motivating them to look beyond their self-interest for the good of the group and the organisation's goal. Bass and Avolio (1994) classified transformational leadership into four categories which are idealised influence (charismatic influence), inspirational motivation, intellectual stimulation, and individualised consideration.

1.7.3 Islamic Spirituality in the Workplace (IS)

Mitroff and Denton (1999) define spirituality as the desire to find one's ultimate purpose in life, and to live accordingly. "Spirituality is the basic belief that there is a superpower, a being, force, whatever you call it, that governs the entire universe. There is a purpose for everything and everyone" (Mitroff & Denton, 1999, p. 22).

Spirituality is believed to affect an individual in various ways, including providing ethical choices, strategic decision-making, or enhancing work-life satisfaction and organisation performance (Grine, Fares, & Meguellati, 2015). Relevant literature supports the claim that spirituality or religiosity exercises a significant impact on personal attitudes and behaviours (Emmons, 1999). Spirituality in the workplace, workplace spirituality, and spirituality at work are used interchangeably to describe what seems to be a similar construct.

In Islam, spirituality is defined as the linking of actions to the fundamental purpose of life. For instance, a Muslim's purpose of life is to worship *Allāh* (*Qur'ān*, 51:56). Islamic spirituality has been defined by Nasr (1987) as the presence of a relationship with *Allāh* that affects the individual's self-worth, sense of meaning, and connectedness with others and nature. The relational quality of spirituality is understood to be a core theme of Islam that comprises beliefs, rituals, daily-living behaviours, and knowledge. Similarly, adherence to the set of Islamic rituals and codes results in the individual's striving to become closer to God and find personal worth and actualisation (Khodayarifard et al., 2013). More definitions offered in the body of knowledge are discussed in chapter two.

1.7.4 Organisational Citizenship Behaviour (OCB)

Organ (1988, p. 4) defines OCB as "Individual behaviour that is discretionary, not directly or explicitly recognised by the formal reward system, and that in the aggregate promotes the effective functioning of the organisation". OCB is conceptualised as synonymous with the concept of contextual performance and is defined as "performance that supports the social and psychological environment in which task performance takes place" (Organ, 1997, p. 95). OCB is an individual contribution in the workplace which goes beyond the call of duty and helping other individuals; such individual behaviour is neither explicitly recognised by the formal reward system nor included in the job description (Organ, 1988). In other words, OCB can be defined as one's willingness to do more than required by a job description.

1.7.5 Organisational Commitment (OC)

Meyer and Allen (1991) defined organisational commitment as the psychological relationship between the organisation and its employees that decreases turnover in

the organisation. Organisational commitment is “attachment that is initiated and sustained by the extent to which an individual’s identification with a role, behaviour, value, or institution is considered to be central among alternatives as a source of identity” (Bielby, 1992, p. 284). Meyer and Allen (1991) divided organisational commitment into three dimensions which are affective commitment (employee’s involvement in and emotional attachment to the organisation), continuance commitment (employee’s recognition of the costs associated with their leaving the organisation), and normative commitment (employee’s perceived duty to remain in the organisation).

1.8 ORGANISATION OF THESIS

This thesis is divided into five chapters. Chapter one has provided a brief introduction, followed by the background of transformational leadership, spirituality in the workplace, OCB, as well as the construct of organisational commitment. It illustrated the problem statement, research questions, research objectives, scope and significance of the study, and definition of key terms. Furthermore, an outline of the entire thesis was provided.

Chapter two provides a comprehensive review of the literature, which discusses the variable connected to transformational leadership and Islamic spirituality in the workplace. Additionally, all constructs that represent the dependent variables (organisational commitment, OCB, and employee performance) are investigated. Also, the discussion of the development of the theoretical framework, statements of hypothesis and gaps of the study are stated in chapter two.

Chapter three provides the methodology utilised in this research study. The chapter begins with research design which clarifies the use of quantitative approach in the present study. This is followed by a deep explanation on the development of the questionnaire, measurement items for each variable and survey instruments translation. After that, the sampling design, population, adequacy of the sample size, and data collection are elaborated. The chapter ends with clarification on the procedures used in data analysis which includes, data screening, factor analysis (EFA and CFA), reliability and validity, pilot study, and justification of using SEM analyses.

Chapter four discusses the results and outcomes of the study. The chapter starts with data preparation and screening, normality assessment, multicollinearity, and descriptive analysis of the demographic profile as well as the response rate and the attribution of the questionnaire. Then, the next section discusses the result of explanatory factor analysis (EFA). This is followed by confirmatory factor analysis (CFA) to assess the reliability and validity of the model. Finally, the result of the full-fledged structural model is discussed along with hypotheses testing.

Chapter five focuses on the interpretations and recommendations ascertained from this study. Discussion on the results, the contribution of the present study to theory, methodology, and practice, limitation, suggestions for future research and conclusion are explicated in this chapter.

CHAPTER 2: LITERATURE REVIEW

2.1 INTRODUCTION

The purpose of this chapter is to provide a review of the literature on factors influencing job performance in the takaful industry. The first section begins with an overview of the concept of Islamic insurance (Takaful). This is followed by a brief definition and review of the foundations of all the constructs. First, leadership theory is reviewed and the major theory of leadership development are defined and explained. The review reveals that transformational leadership is the most frequently used leadership theory over the past two decades and has been particularly emphasised in connection with enhancing employee performance, and ultimately, the overall organisational performance and effectiveness (Gregory Stone et al., 2004; Kim, 2013; Kirkman et al., 2009). While exploring the role of transformational leadership in organisational behaviour, spirituality in the workplace emerged as a new perspective to organisational success and performance (Garcia-Zamor, 2003; Kamil et al., 2011; Karakas, 2009; Kazemipour & Mohd Amin, 2012; Osman-Gani, Hashim, & Ismail, 2013). As such, spirituality in the workplace is reviewed in detail, and the dimensions developed by Ashmos and Duchon (2000) and Milliman et al. (2003) are elaborated.

In this study, spirituality in the workplace from an Islamic management perspective is introduced, and its contribution to the overall development of modern organisation are closely examined. Furthermore, the difference between spirituality in the workplace and religiosity is scrutinised. The chapter continues by explicating the domains of organisational commitment, organisational citizenship behaviour (OCB), and job performance. Each of these domains is presented with a thorough

evaluation of their dimension. Following that, the hypotheses are presented with their implications and impact on job performance. The identification of research gaps and anticipated contributions are also highlighted. Finally, the proposed model is presented based on the theoretical foundations that have emerged from the literature.

2.2 AN OVERVIEW OF THE CONCEPT OF TAKAFUL

Takaful is an Arabic term derived from the word *Kafālah* which means a guarantee. Takaful is based on the principle of cooperation (*Ta'awun*) and donation (*Tabarru'*), where the risk is shared collectively and voluntarily by the group of participants (Ismail, 2011). According to Redzuan, Rahman, and Aidid (2009), for takaful to be acceptable by Islamic tenets, it must be founded on the principles of cooperation (*Ta'awun*) and donation (*Tabarru'*). Such is the spirit of takaful which embraces the element of mutual guarantee and shared responsibility. Participants in a takaful scheme mutually agree to contribute to a takaful fund as a donation, a certain proportion of their contribution to providing financial assistance to any members suffering from loss. Obaidullah (2005) stated that all participants give away donation or *Tabarru'* which are accumulated into a common fund called the "*Tabarru'* fund". The financial assistance paid to participants suffering a defined loss or damage is the fund that is contributed to by all participants. Similarly, Shankar (2008) noted that takaful is also built on the principles of cooperation, where each contributor participates in each other's loss, and takaful operators facilitate this collaboration by using its expertise.

According to the 26th *Shari'ah* Standard, takaful is defined as an agreement between persons who are exposed to certain risks to avoid the damage that results from such risks through paying subscriptions on the basis of the commitment to

donate (*Tabarru'*) to a pool of money consider as a juristic person that has an independent legal personality from which the damage suffered by one of the subscribed is compensated according to the regulations and policies. The pool of money shall be managed by a board of selected policyholders or by the shareholding company. The board or the company –as the case may be – carries out the takaful operation and invests the pools' assets. In contrast, the relationship between the participants and the conventional insurance company is clearly a *Mu'awadhah* contract (commercial exchange) and its objective is to increase profit (*Al-Qaradāghī*, 2009).

Qureshi (2011) mentioned that the origin and development of takaful system were known before the time of the Prophet Muhammad (PBUH). Examples include tribal practices to share the risk during a hazardous trade journey *Hilf* (Confederation), *Aqilāh* (pooling of resources), and *ḍamān al tarik* (Surety). Jaffer (2007) noted that takaful is commonly used to refer to *Sharī'ah* compliant form of insurance or assurance contract. He mentioned that takaful is a concept of mutual protection and financial assistance based upon principles set out by the *Qur'ān* and the *Hadīth*. Therefore, it can be seen that takaful is built on two principles which are a donation (*Tabarru'*) and cooperation (*Ta'awun*). Participants in a takaful scheme mutually agree to contribute to takaful funds as donations and formulate a pool of money. This money can be invested to earn Halal profits based on *Sharī'ah*-compliant investments. The amount of profit earned is then included in a money pool and distributed among the participants. Certain proportions of the contributions are set aside to provide financial assistance to other participants in the event of disaster and loss (Khan, Alam, Ahmad, Iqbal, & Ali, 2011). The following figure illustrates takaful operations:

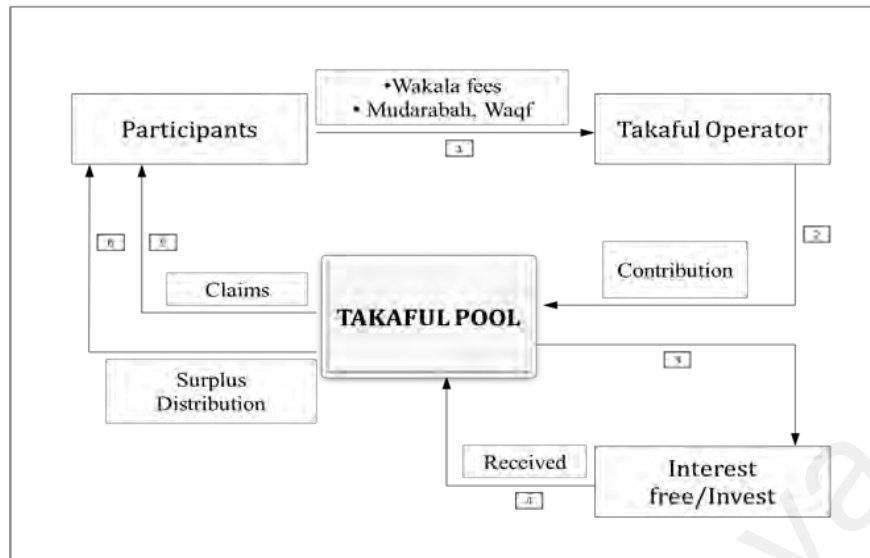


Figure 2.1: Takaful Operation

On the other hand, Khan et al. (2011) observed that participants in conventional insurance are paying out contributions (premium) to the insurance company and then, the insurance company invests this amount through interest-based instruments or non-*Shari'ah* compliant investments. The surplus received from the interest and profit is retained in the company without distributing among the participants, and only claims are met with this surplus. The following figure illustrates the operation of conventional insurance.

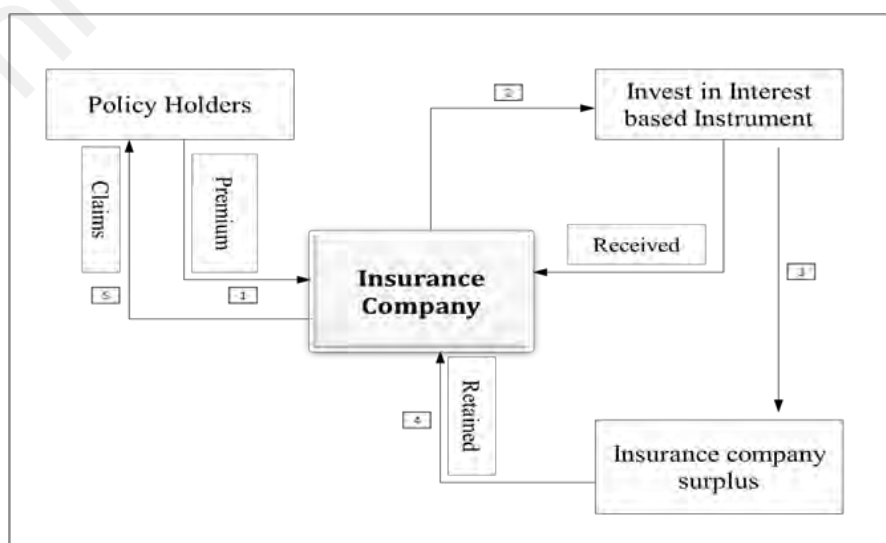


Figure 2.2: Conventional Insurance Operations

2.3 REVIEW OF LITERATURE

2.3.1 Leadership Theory

In the past few decades, leadership has been acknowledged for playing a role in causing changes necessary for the effectiveness and efficacy of the organisation. Leadership is considered one of the most complicated and least understood phenomena. Many researches dedicated to studying leadership have failed to come up with an agreement on how leadership is defined, measured, assessed, or linked to outcomes (Birnbaum, 1989). According to Burns (1978), leadership is “the reciprocal process of mobilising, by persons with certain motives and values, various economic, political, and other resources, in a context of competition and conflict, in order to realise goals independently or mutually held by both leaders and followers” (p. 425). Leadership is a human phenomenon which occurs in all groups, societies, organisations, and involves interaction between people (Daft, 2005; Kearney & Gebert, 2009). In line with this contention, Herold, Fedor, Caldwell, and Yi (2008) stated that effective leadership can create shared beliefs, values, and can be the difference between success and failure. Also, the spirit of leadership is presumed to be the task of optimising collective efforts, uniting people, developing organisational consistency and sustainability, and solving all inherited problems of collectivism (Cole, Bruch, & Shamir, 2009; Kearney & Gebert, 2009; Lemay, 2009).

According to Bass (1990), the study of leadership is ongoing, and many researchers have tried to identify leadership theories. As a result, leadership has been defined by several theories (Choudhary et al., 2013; Guay, 2013; Kim, 2013). The next section provides a brief review of the history of leadership theories, which have been considered as the most recognised over the years, followed by a deeper examination of transformational leadership theory.

2.3.1.1 Trait Theories

Trait theories are regarded as one of the earliest efforts to understand the concept of leadership which observed individuated and personal characteristics to determine if there is a difference between leaders and non-leaders (Calloway & Awadzi, 2008). According to trait theory, leaders are born with special personal attributes and possess certain inherent qualities that differentiate them from non-leaders or followers (Karkoulia, Messarra, & Sidani, 2009). Moorhead and Griffin (1998) mentioned that a number of studies on personality traits were inconsistent and found that these traits were unable to predict effective leadership. In other words, there was a weak relationship between individual traits and leader's success. As a result, failing to identify successful clear leadership attributes lead to the rejection of the concept that leaders are only born (Van Eeden, Cilliers, & Van Deventer, 2008). As such, the focus of studies shifted from traits to behaviour.

2.3.1.2 Behavioural Theory

The emphasis on behavioural patterns and leadership style have developed as a result of the lack of evidence proving that leaders possess special traits that differentiate them from non-leaders or followers. Daft (2005) revealed that the emphasis on behavioural theory emerged in the early 1950s to observe leaders' roles, responsibilities, and activities on the job and the differences between effective and ineffective leaders. The fundamental assumption in behavioural theory of leadership is that effective leaders consistently show behaviour that fits the problem at hand and the needs of the situation (Cojocar, 2009). In other words, behaviour theory postulates that anyone can be an effective leader through learning behaviours of successful leadership however, in trait theory, the belief is that only certain people possess the qualities to be effective leaders. Ohio State University conducted the first

major research on leadership behaviour to identify specific behaviour associated with leaders (Daft, 2005; Yukl, 1989). The analysis showed that consideration and task-oriented behaviours were the main dimensions of leadership style.

2.3.1.3 Contextual Theories

Contrary to other approaches, this model considers leader effectiveness as contingent on the situation or context. Accordingly, this theory assumed that an effective leader will adapt their style depending on the demands and the situation of the organisation (Dambe & Moorad, 2008). Nevertheless, Yukl (1989) affirmed that the contextual method fails “to present general principles to help managers recognise underlying requirements in the myriad of fragmented and varied activities and problems confronting them” (p. 120). As such, there was a need for a broader view of leadership style that can solve the challenges arising in the corporate world (Choudhary et al., 2013), rather than focus on the obvious, short-term, leader-employee relationships (Bass, 1985).

2.3.1.4 Leader-member Exchange (LMX) Theory

Leader-member exchange (LMX) theory focuses on a dyad relationship between leaders and subordinate (Lunenburg, 2010). In LMX theory, leaders initiate either an in-group (high-quality relationship) or out-group (low-quality relationship) (Truckenbrodt, 2000). Members of the in-group are invited to participate in decision-making, volunteer for extra work and take on additional responsibilities. In essence, supervisors of the in-group “exchange personal and positional resources (inside information, influence in decision-making, task assignment, job latitude, support, and attention) in return for subordinates’ performance on unstructured tasks” (Graen and Cashman, 1975). In contrast, members of the out-group are those who perform only in accordance with the prescribed employment contract with limited

reciprocal trust, support and reward from their supervisor (Deluga, 1998). A two-way relationship (dyad) between the supervisor-subordinate is the unique basic premise and the unit of analysis of LMX (Truckenbrodt, 2000).

According to Wang et al. (2005), the leader-member exchange (LMX) theory supports the notion of reward and punishments that are used by transactional leaders and suggests that interactions between supervisors and employees are frequently interest-based. Although leader-member exchange may begin with a simple transactional relationship, leaders need to become transformational (Graen and Uhl-Bien, 1991). According to Burns (1978), leaders are either transformational or transactional, while Bass (1985) considers leadership as a continuum with transformational leadership on one end and transactional leadership on the other end. The following sections offer a brief background of the two leadership models.

2.3.2 Transactional Leadership

Transactional leadership is defined as an exchange process that occurs between leaders and subordinates in which leaders recognise followers' needs and then defines suitable exchange processes to meet the needs of both the followers and leaders (Bass, 1985). In this respect, transactional leaders work within their organisational culture, following rules and procedures, bureaucratic authority, focus on task completion, reward and punishment (Burns, 1978; Jung & Avolio, 1999; Tracey & Hinkin, 1998). Hughes, Ginnett, and Curphy (2008) stated that "transactional leadership is very common but tends to be transitory, in that there may be no enduring purpose to hold parties together once a transaction is made" (p. 532). In other words, transactional leaders tend to lead through giving the followers something they want such as financial rewards to get something in return. Bass and Avolio (1994) mentioned that pure transaction is based on motivation to work has a

price, cooperation depends on negotiation rather than problem-solving, employee work independently from their peers. As such, transactional leadership might build up immediate satisfaction but not necessarily long-term positive effectiveness which can effect the organisation's mission and vision, and will not generate great enthusiasm and commitment among followers (Bass, 1985; Bass & Riggio, 2006).

2.3.3 Dimension of Transactional Leadership

In transactional leadership, there are two dimensions of leadership which are contingent reward and management by the expectation that is passive or active (Bass, 1998; Bass & Avolio, 1990). Contingent reward behaviour refers to leaders rewarding followers' in exchange for an effort spent and performance achieved (Nazem & Amjadi, 2014). Essentially, transactional leaders use contingent reward behaviour to set up constructive transactions with followers to achieve work goals and organisational effectiveness. In contrast, management by expectation behaviour is the degree to which leaders take action when things go wrong, and employees do not attain the specified standards and therefore, they take corrective action and enforce rules and regulations on the basis of results of leader-followers transaction (Judge & Piccolo, 2004). Active management-by-exception involves leaders actively monitoring deviations from norms and provides corrective action. On the other hand, leaders who practice passive management-by-exception wait until deviations occur before intervening and take action against deviations (Antonakis & House, 2002; Hater & Bass, 1988).

2.3.4 Transformational Leadership

Transformational leadership was first initiated by Downton (1973) in his book *Rebel Leadership*. After that, Burns (1978) re-conceptualised the concept into that of the transforming leader. According to Burns (1978), "leaders inducing followers to act

for certain goals that represent the values and the motivations - the wants and needs, the aspirations and expectations - of both leaders and followers” (p. 19). Transformational leadership is a process in which leaders and followers engage each other to advance and to raise one another to a higher level of morality and motivation (Burns, 1978). After that, Bass (1985) developed and expanded Burns’ (1987) idea and renamed the transforming leader a transformational leader. The work of Bass (1985) built not only upon the contribution of Burns but developed this leadership theory by combining the idea of Downton (1973), Bennis and Nanus (1985), and others. According to Bass (1990), transformational leadership:

“Occurs when leaders broaden and elevate the interests of their employees, when they generate awareness and acceptance of the purposes and mission of the group, and when they stir their employees to look beyond their self-interest for the good of the group” (p. 21).

In essence, the transformational leadership for Bass (1985) is measured regarding the influence of leaders’ on followers. Transformational leadership motivates followers to exceed expectations by making them aware of the importance of task outcomes, increase the confidence of the followers, making them subsume their interest to organisation interest, focusing on followers empowerment and further motivating them to feel a need for achievement, growth and self-actualisation (Bass, 1985; Judge & Piccolo, 2004; Yukl, 2006). As a result, followers will be highly motivated to achieve higher goals and they will do more than they expected in the beginning because of feelings of admiration, respect, trust, and loyalty towards leaders (Bacha, 2014; Bass, 1998; Bass & Avolio, 1990). Accordingly, transformational leadership is a process of building commitment to organisation objective and empowering followers to achieve these targets (Yukl, 2006).

Burns (1978) considers that a leader should be as either transactional or transformational leader, while Bass (1985) views leadership as a continuum with transactional at one end and transformational leadership at the other. For Bass (1990), transactional leadership is an “exchange promises of rewards and benefits to subordinates for the subordinates’ fulfilment of agreements with the leader” (p. 53). Transactional leadership recognises followers’ needs and then, defines appropriate exchange process for meeting those needs (Daft, 2005). On the other hand, transformational leadership is motivating followers beyond simple rewards in exchange for their effort and performance, develop their leadership capabilities by listening to their individual needs, empowering them, and matching their goals with an organisational vision and enhance followers’ performance (Bass & Riggio, 2006; Kim, 2013). In other words, transformational leadership is unlike transactional leadership whereby it is concerned more about progress and development (Gregory Stone et al., 2004), enhances the effects of transactional leadership on followers by charisma, inspiration, intellectual stimulation and individualised consideration of employees (Bacha, 2014; Bass & Avolio, 2000).

While each of these theories has been studied extensively and contributed to the body of knowledge, transformational leadership has been the most frequently supported leadership theory over the past two decades (Avolio, Walumbwa, & Weber, 2009; Judge & Piccolo, 2004; Kim, 2012; Sosik & Jung, 2010). Bass (1997) mentioned that transformational leadership should be effective in both Western and non-Western societies, and it has been particularly emphasised in connection with enhancing employee performance with individuals and team-level job performance (Bass & Avolio, 1995; Gregory Stone et al., 2004; Judge & Piccolo, 2004; Kim, 2013; Kirkman et al., 2009). As such, this research will emphasise on

transformational leadership and how it is related to job performance by considering potential mediating factors (e.g., OCB and organisational commitment) that explain how transformational leadership is influencing and enhancing employee job performance in Malaysia, specifically in the takaful industry.

2.3.5 Dimensions of Transformational

The first transformational leadership construct was developed by Bass (1985), where he operationalised it to include the characteristics of charisma, intellectual stimulation, and individualised consideration and based on that, he developed the Multifactor Leadership Questionnaire (MLQ), which measured these three domains of transformational leadership (Hemsworth, Muterera, & Baregheh, 2013). Since the initial version of the MLQ, several researchers have strengthened and developed Bass's version (Bass & Avolio, 1994; Bass & Avolio, 1995; Bass & Avolio, 1997; Behling & McFillen, 1996; Howell & Avolio, 1993). The most current version of the MLQ is the form 5X (MLQ 5X) (Bass & Avolio, 1995) which classified the dimension of transformational leadership into four dimensions: idealised influence (charisma) which was distinguished between attributed idealised influence (IIA) and behavioural idealised influence (IIB), inspirational motivation, intellectual stimulation and individualised consideration.

2.3.5.1 Idealised Influence (Charisma)

Within the literature on transformational leadership, attributed idealised influence (IIA) and idealised behavioural influence (IIB) can be found pooled as the term idealised influence, which also referred in the literature as charisma (Hemsworth et al., 2013). Attributed idealised influence (IIA) refers to leader who sacrifice for the benefits of their followers, considered as an exemplary role model, and is admired and respected by his/her followers whereas behavioural idealised influence (IIB)

describes a leader who can be trusted and has high moral and ethical standards (Bass & Avolio, 1995). Bass (1985) describes leaders with elevated levels of idealised influence increases followers' pride, show admiration, respect towards the leader, and show loyalty and confidence through identification with the leader around a common purpose or vision. Moreover, the leader becomes a role model for the followers, facilitates the acceptance of group goal, emphasises the importance of the organisational goal, and creating an atmosphere of collaboration (Kim, 2013). In essence, idealised influence is the extent to which a leader behaves in a charismatic way (Kim, 2013), and serves as a role model who is admired by followers (Bass & Avolio, 1995).

2.3.5.2 Inspirational Motivation

Inspiration motivation is reflected in the leader's ability to build a relationship with followers through interactive communication of expectation, talk optimistically and with enthusiasm, clarify an appealing vision of the future, challenge followers with high standards, and provide encouragement and meaning for what needs to be accomplished (Bass, 1997). The intention of leaders is to inspire followers to view an attractive future state through demonstrating a commitment to a goal and shared vision (Gregory Stone et al., 2004). Overall, inspiration motivation is the extent to which leaders have the ability to inspire and motivate followers to articulate the vision that is appealing to followers.

2.3.5.3 Intellectual Stimulation

Intellectual stimulation is concerned with stimulation "problem-solving and careful and creative consideration of issues at hand" (Van Knippenberg & Sitkin, 2013, p. 5). Transformational leaders stimulate their followers' effort to increase awareness of problems and encourage followers to try new approaches and perspectives

emphasising rationality in decision-making (Bass, 1990; Rafferty & Griffin, 2004). Intellectual stimulation is the extent to which leaders solicit their followers' ideas, challenges assumption, take the risk, and encourage creativity in followers (Kim, 2013). According to Gregory Stone et al. (2004), transformational leaders do not publicly criticise followers' mistakes but, instead, encourage creativity in problem-solving. Transformational leaders who effectively practice intellectual stimulation provide followers with a series of challenging new ideas that are supposed to stimulate rethinking of their subordinate (Bass & Avolio, 1990).

2.3.5.4 Individualised Consideration

Bass & Avolio (1990) stated that individualised consideration is a fundamental quality of effective transformational leadership. The leader's behaviours concerned with consideration deal with others as individuals and pay personal attention to followers and understand that each has different needs, abilities, and desires. Individual consideration is the extent to which a leader acts as a mentor or coach, listen to followers' concern and needs and developing followers in a supportive environment (Kim, 2013). The leaders develop and empower followers through effective one-to-one interactions, delegating tasks, and following up with these tasks to see if additional support is needed (Behling & McFillen, 1996). Sosik and Cameron (2010) noted that these acts of individual consideration help to build a connection that is more personal than work-related and foster desirable employee behaviours such as loyalty and tenacity.

Eventually, transformational leaders can develop a very powerful impact on followers and motivate them to attain the organisational objectives. For instance, several studies have documented that transformational leadership contribute to organisations' attempts at improving employee performance (Bass & Avolio, 1995;

Gregory Stone et al., 2004; Kim, 2013; Kirkman et al., 2009; Limsila & Ogunlana, 2008; Toor & Ofori, 2009). In summary, transformational leadership explains how to attain the vision in a clear manner, serves as role models who are admired by followers, increases followers pride and loyalty, acts confidently and talk optimistically, empowering and nurturing followers through effective one-to-one communications, clarifies an appealing vision of the future, and stimulating change and becoming a role model for followers.

2.3.6 Spirituality in the Workplace

A number of researchers mentioned that in the last two decades of organisational sciences, management theory and practice experienced a paradigm shift (Capra, 1996; Robert A Giacalone & Dafna, 2000; Harman & Hormann, 1990; Ray & Rinzler, 1993). According to Karakas (2009), this paradigm shift is complex and includes multiple dimensions and embraces not only the drive for profit but aims to be mind-enriching, heart-fulfilling, and spirit growing for employees. For instance, moving from simplicity to complexity (Lewin, 1992), from transactional to transformational leadership (House & Shamir, 1993), from an economic focus to balance of profit, quality of life, spirituality and social responsibility concerns (Walsh, Weber, & Margolis, 2003). Karakas (2009) claims that organisations and managers have been discovering and experimenting a new method and ways that aim to be mind-enriching, heart-fulfilling, spirit-growing, and he called that as “spirituality movement” (p. 90). This new spirituality dimension provides employees search for simplicity, sense of meaning and purpose, and sense of community and connectedness (Ashmos & Duchon, 2000; Marques, Dhiman, & King, 2007). This section provides a review of the spirituality at work and dimensions of spirituality in the workplace.

2.3.7 Definitions of Spirituality in the Workplace

The review of literature determines that there is no widely accepted definition of spirituality. According to Markow and Klenke (2005), there are more than 70 definitions of spirituality. However, most of these definitions acknowledge that spirituality involves a sense of wholeness, connectedness at work, and deeper values (Gibbons, 2000). Karakas (2009) stated that “spirituality” comes from the Latin word “spiritus” or “spiritualis” that means breathing, breath, air, or wind (Merriam-Webster). Spirit is also defined as “an animating or vital principle held to give life to physical organisms” (Merriam-Webster). Mitroff and Denton (1999) define spirituality as the desire to find one’s ultimate purpose in life, develop a strong connection either to coworkers or other people associated with work, and have consistency between one’s core belief and the values of their organisation. In addition, spirituality has been also defined as “the relationship of the human person to something or someone who transcends themselves” (Bullis, 1996, p. 2), “devotion to the immaterial part of humanity and nature” (Barker, 1995, p. 363), “the human search for purpose and meaning of life experiences” (Sheridan & Hemert, 1999, p. 129), “a relationship to force greater than oneself” (Netting, Thibault, & Ellor, 1990), and “the essence of the individual” (Carroll, 1997, p. 27), or “one’s basic nature” (Carroll, 1998, p. 2), and “the unique inner search for fullest personal development through participation into transcendent mystery” (Delbecq, 1999, p. 345), and “...the recognition that employees have an inner life that nourishes and is nourished by meaningful work that takes place in the context of community” (Ashmos & Duchon, 2000, p. 137). In these definitions, spirituality can be viewed as a multifaceted and elusive concept, and it is difficult to clearly define a common definition of spirituality in the workplace (Karakas, 2009). In other words, the review of literature

determines that there is no single agreed-upon definition of the term spirituality among those who are conducting research in this field. However, the common ground of spirituality among the different definitions is that spirituality is about living in connection with others and experiences with supreme power (Tishler, Biberman, & Mckeage, 2002).

Although spirituality in the workplace is recognised, the challenge to define it leads some authors to ask themselves whether workplace spirituality is necessarily and deserve the attentions that have attracted (Ashmos & Duchon, 2000; Brown, 2003). However, Rego and Pina e Cunha (2008) revealed that researchers should not discourage and reject studying a topic just because it is difficult to define or test empirically. Ashmos and Duchon (2000) argued that spirituality can be used to improve organisational performance. An additional reason to conduct research on spirituality in the workplace is that spirituality is undeniable a human need for many people (Hart & Brady, 2005), and it is a reality that should be acknowledged by society and organisation (Sanders, Hopkins, & Geroy, 2003). Last but not least, to better understand the environment of an organisation and why people behave in certain ways and form certain attitudes, they must rid themselves of “intellectual bias” (Amin Mohamed, Wisnieski, Askar, & Syed, 2004). Summarising the aspects of preceding definitions, the following definition has been developed; spirituality in the workplace can be described as the effort to find one’s ultimate purpose and meaning of life that should allow individuals to align their beliefs and values with the values of organisation through developing a strong relationship to one another in their workplace, and experience with supreme power.

2.3.8 Dimensions of Spirituality in the Workplace

Ashmos and Duchon (2000) pioneered research that developed and validated a measurement instrument of the construct of spirituality in the workplace for three levels of analysis, namely the individual, work team and organisation. In their review of the literature, they identified “several dimensions of spirituality that could be broadly construed as contributing to inner life, meaningful work, and community” (p. 137). Using principles of factor analysis, Ashmos and Duchon (2000) extracted seven dimensions for the individual level (conditions for community, meaning at work, inner life, blocks to spirituality, personal responsibility, positive connections with other individuals, contemplation), two for the work-team level (work-unit community, positive work-unit values), and two for the organisation level (organisational values, individual and the organisation). Their study found that the data support the idea that spirituality in the workplace entails inner life, community, and meaningful work. This section will highlight dimensions considered important in previous studies (Hawley, 1993; Milliman et al., 2003; Milliman, Ferguson, Trickett, & Condemni, 1999; Mitroff & Denton, 1999). These dimensions include “meaningful work” (individual level), having a “sense of community” (group level), and being in “alignment with the organisation’s values” (organisation level) (Milliman et al., 2003).

2.3.8.1 Meaningful Work

Meaningful work is a fundamental aspect of spirituality at work and requires that employees want to be involved in activities that give meaning to their lives (Milliman et al., 2003). It describes how individuals with their day-to-day work at the individual level own inner motivations and truths and desires to be involved in work that give greater meaning to their life and the lives of others (Ashmos &

Duchon, 2000; Milliman et al., 2003). From a spirituality point of view, “ work is not just meant to be interesting or challenging, but it is about things such as searching for deeper meaning and purpose, living one’s dream, expressing one’s inner life needs by seeking meaningful work, and contributing to others” (Milliman et al., 2003, p. 429).

2.3.8.2 Community

Spirituality at the workplace is not only about expressing one’s inner life needs by seeking meaningful work but it is about living in connection, or relationship with, other human beings (Ashmos & Duchon, 2000; Milliman et al., 2003). It occurs at the group level of human behaviour and concerns interaction between employees and their coworkers at work (Milliman et al., 2003). In essence, the community at work “involves a deeper sense of connection among people, including support, freedom of expression, and genuine caring” (Milliman et al., 2003, p. 429).

2.3.8.3 Alignment with Organisational Values

The third dimension of workplace spirituality is when an employee experiences a strong sense of alignment between his/her beliefs and the organisation’s mission and vision. Mitroff and Denton (1999) define spirituality as the desire to find one’s ultimate purpose in life, develop a strong connection either to coworkers or other people associated with work, and have consistency between one’s core believe - personal values- and the values of their organisation. Alignment with the organisation’s value is when an individual’s purpose and sense of meaning at work is large than one’s self and involves working with integrity that should be beneficial to others or society (Milliman et al., 2003), and concern for the welfare of employees and community (Ashmos & Duchon, 2000). Alignment also means that a person

should work with an organisation that have a great sense of ethics and values and contribute to the society. For instance, Milliman et al. (2003, p. 430) state that:

“Employees desire to work in an organisation whose goal is to not just be a good corporate citizen, but an organisation that seeks to have a high sense of ethics or integrity and make a larger contribution than the typical company to the welfare of employees, customers, and society”.

Despite the number of studies that have been conducted on the concept of spirituality in the workplace and the benefits of workplace spirituality on organisations outcome and performance level (Ashmos & Duchon, 2000; Robert A. Giacalone & Jurkiewicz, 2003; Harrington et al., 2001; Lee et al., 2003; Milliman et al., 2003), very little research has been attempted from the religion perspective (Kamil et al., 2011). It is important to note that most of these studies have been addressed from a Western value system which may not be necessarily familiar with the Islamic perspective of spirituality (Kamil et al., 2011). Fernando (2005) as seen in Tsafe and Abd Rahman (2014) claimed that the practice of workplace spirituality in the non-Christian and non-Western setting remained undressed and sparse. Besides, most of these studies and models that investigated workplace spirituality have been developed in the US and Western countries particularly North America. As such, this research attempts to study spirituality from the Islamic management perspective and enrich the understanding of the Islamic spirituality in the workplace and its contribution to the overall development of the modern organisations.

2.3.9 Islamic Spirituality (IS)

Islam sees spirituality as the linking of actions to the fundamental purpose of life. For instance, a Muslim's purpose of life is to worship *Allāh* (*Qur'ān*, 51:56). Spirituality connects the actions of an individual to the purpose of their life (Adnan Khan,

2009)¹. Islamic spirituality has also been defined by Nasr (1987) as the presence of a relationship with God that affects the individual's self-worth, sense of meaning, and connectedness with others and nature. The relational quality of spirituality is understood to be a core theme of Islam that comprises beliefs, rituals, daily-living behaviours, and knowledge. Similarly, adherence to the set of Islamic rituals and codes results in the individual's striving to become closer to God and finds personal worth and actualisation (Khodayarifard et al., 2013).

Mohsen (2007) defines Islamic spirituality as a concept that is embedded in piety (*Taqwā*). To identify the salient features of Islamic spirituality, the concept of piety was explored in the *Qur'ān*, and found to be cited on six occasions; (2:3-4), (2:177), (2:183), (3:133-136), (5:8-9), (23:1-11) and (25:63-76). These citations form the understanding of the basic characteristics of righteous Muslims, which are collected and grouped into the following two main categories; Islamic spirituality which is defined as the relationship between the Creator (*Allāh*) and man; and Islamic social responsibility which is effectively defined as the relationship between man and his fellow man, nature, and other creations (Mohsen, 2007). Spirituality is also rooted in faith (*Iman*) and demonstrated through the performance of basic Islamic rituals of prayer, fasting, pilgrimage (*Hajj*) and charity (*Zakāh*). These rituals are the means by which Muslims get closer to the Creator (Nasr, 1987).

Religious worship, such as prayers, fasting, charity and pilgrimage are set to enhance the Muslim relationship with God and with society; otherwise, these would become empty rituals devoid of value (*Al-Ghazzālī*, 2004). All of these religious

¹ <http://www.khilafah.com/index.php/concepts/belief/5660-islam-and-spirituality->

rituals are set to the advantage of worshipers and their acquisition of the highest state of spiritual and physical fitness (Ibrahim, 1997). In line with this contention, Hawa (2004) suggests that spirituality cannot be maintained unless all of the religious rituals of fasting, pilgrimage (*hajj*) and charity (*zakāh*) are regularly observed. Muslims are commanded to discharge these rituals which provide them with daily, weekly and yearly nourishment for their spirit, and strengthen and renew their beliefs while cleaning their hearts from the stains of sins and impurity (Grine et al., 2015).

The definition shared by both *Al-Ghazzālī* (2004) and Hawa (2004) also implies that physical appearance, financial status, or ethnic background are irrelevant to the worth or effective value of spirituality; rather, it is the inner purity from sins and submission to God that counts in the field of spiritual devotion and discipline. To substantiate her view, in her book (*The clarity in the purification of the souls*), Hawa (2006) argued that the purification of the soul is maintained by performing religious rituals such as prayers, charity, fasting, pilgrimage, and reading the *Qur'ān*. Recitation of the *Qur'ān* is a significant means of enlightening the spirit, understanding its meaning and at the same time motivating Muslims to cope effectively with life problems and further enhance the quality of their decision-making (Achour, Grine, Mohd Nor, & Mohd Yusoff, 2014). A more detailed definition by Kamil et al. (2011), describes Islamic spirituality as:

“The activities that Muslims do at all places and at all times in organisations, in ways that are in line with the Islamic teachings and principles, such that one constantly strives towards seeking the pleasure of Allah and His Guidance”. (p. 77).

Summarising the aspects of previous definitions, the operational definition of Islamic spirituality for this research is the presence of a relationship with God that comprises belief, performing religious rituals, and daily-living behaviour that is in

line with Islamic rules and principles; and which is used to enhance the relationship with God and society.

2.3.10 Dimensions/Components of Islamic Spirituality

Scholars have debated the components of measuring Islamic spirituality. One such important contribution is the studies of Kamil (2011) and Mohsen (2007). Mohsen (2007) revealed leadership concepts from the *Qur'ān*. His research looked at *Taqwā* which has two components, that is, spirituality and responsibility. Spirituality consists of three dimensions namely *Iman* (Belief), *'ibādāt* (Rituals) and *Tawbah* (Repentance). Responsibility consists of six dimensions namely emotional control, *sadakah*, forgiveness, integrity, patience and justice. Mohsen (2007) examined the effects of leader's spirituality and responsibility together with the mediating influence of trust on business leadership effectiveness.

Another study worth mentioning with respect to Islamic perspective management is Kamil (2011). Kamil (2011) developed the phenomenon of organisational citizenship behaviour (OCB) from the Islamic management perspective and established the need for *Taqwā* serving as an antecedent of OCB from the Islamic perspective. His study yielded measurement scales, one related to Islamic spirituality (IS) and Islamic social responsibilities (ISR) (i.e. dimension of *Taqwā*) while the other was related to organisational citizenship behaviour from an Islamic perspective (OCBIP). Although both studies (Kamil, 2011 and Mohsen, 2007) have the same independent variable which is *Taqwā* (i.e. Islamic spirituality (IS) and Islamic social responsibilities (ISR)), their main objective of departure concerns their dependent variables. Therefore, this study considered only the variable of Islamic spirituality (IS) and how it is related to employees' performance whereas

Mohsen's (2007) research looks at leadership effectiveness and Kamil's (2011) looked at OCB from the Islamic management perspective.

The following section reviews the component of Islamic spirituality that have been developed in previous studies. According to Kamil et al. (2011), Islamic spirituality as presented in the *Qur'ān* consist of certain salient spiritual aspects associated with pious people. These include; believe in *Allāh* (*Imān bi-Allāh*); observance of rituals (*'ibādāt*) which comprise of prayer (*Salāh*), fasting (*Sawm*), charity (*Zakāh*), and pilgrimage (*hajj*); the remembrance of *Allāh* (*Dhikrullāh*), and repentance/forgiveness (*Tawbah/Al-'afw*).

2.3.10.1 Belief in God (*Imān Bil-lāh*)

AlTa'i (1985) and Ibrahim (1993) are among the earliest scholars who have sought to capture the dimensions of Muslim religiosity and to construct further its comprehensive scale that has been found in their work of Muslim social scientists. AlTa'i (1985) and Ibrahim (1993) developed over 60 items in their questionnaire. These items are categorised into two interconnected dimensions, as proposed by Al-Khalifah (1994, p. 4). The first category relates to the belief dimensions, which represent the individual's full and sincere belief in God as the Creator of the universe and as the only one worthy of worship, belief in the angels, scriptures, messengers, and the day of judgement, the hereafter, the divine and the decree. The second category emphasises the degree to which the dimensions of belief are reflected throughout the believer's daily behaviour and actions through obedience to God's commands and avoidance from prohibitory acts and behaviours. Achour et al. (2014) stated that beliefs and worship are relevant to matters of faith and worship including belief in the value of religion in Muslim life, belief that life's hardship is seen as a

test from God (*Ibtīl ā*). Osman-Gani et al. (2013) mentioned that “believing that one is always monitored by God (*Ihsān*) is giving a better impact than just performing ritual activities of religion” (p. 367). Furthermore, *Ihsān* “excellence and perfection” described in one long *Hadīth* narrated by Muslim when the Prophet Muhammad peace be upon him inquired by Jibril (Gabriel) to define *Ihsān*. He (PBUH) said, “It is to worship God as if you are seeing him; and although you do not see Him, He sees you”². Ali (2005) stated that belief in *Allāh* indicates a thorough understanding of the unity of direction (*tawhīd*), clarity of the objectives, avoiding of misconduct and prohibitory acts, and equality between people. Kamil et al. (2011) noted that belief in *Allāh*, operationally means, “belief in *Allāh* (*Iman*) implies being steadfast on *Allāh*’s course at the workplace while striving to achieve organisational goals and objectives” (p. 170).

2.3.10.2 Rituals (*‘ibādāt*)

Islam is built on five main fundamental (pillars) which have been mentioned individually in the Qur’an (3:8, 3:64, 9:31, 98:5, 9:128, 2:2, 2:3, 2:277, 24:56, 9:5, 9:103, 23:4, 41:6, 41:7, 9:34, 9:35, 2:183, 2:185, 3:97, 2:196). Besides, Prophet Muhammad (PBUH) listed them together in a *Hadīth* narrated by Bukhari and Muslim when he was asked to define Islam.

On the authority of Abdullah, the son of Umar ibn al-Khattab (ra), who said: “I heard the Messenger of Allah (PBUH) say, “Islam has been built on five (pillars): testifying that there is no deity worthy of worship except Allah and that Muhammad is the Messenger of Allah, establishing the salah (prayer), paying the zakat (obligatory charity), making the hajj (pilgrimage) to the House, and fasting in Ramadhan” (*Bukhari & Muslim*).

² <http://sunnah.com/>

This section provides a review of the five fundamental of Islam.

(a) ***The Declaration of Faith (Shahādah)***

The first pillar of Islam is the declaration of faith (*shahādah*) in *Allāh* the Almighty. It is a profound, yet simple statement expressing a Muslim's complete acceptance and commitment to Islam. Muslims bear witness to the oneness of God by saying the creed "I bear witness that there is no god but *Allāh*, and I bear witness that Muhammad is the Messenger of *Allāh*".

(b) ***Prayer (Salāh)***

Prayer (*Salāh*) is the second pillar of Islam. Muslims are encouraged to perform regular prayers (*Salāh*) and supplication to God which are expected to exercise extremely beneficial and influential impacts such as protection of people and resolving of life problems (Achour et al., 2014), enhance their social relationship (Al-Khalifah, 1994), and promotes a bond of brotherhood and unity among worshipers (Kamil et al., 2011). According to Osman-Gani et al. (2013), prayer constitutes an integral component of spirituality. Regardless of the rarity of empirical evidence that examines the effects of prayer in work settings, researchers proved that prayers had been positively associated with spirituality in the business movement (Benefiel, 2005; Osman-Gani et al., 2013), and consider it as a source of accuracy or a lesser margin of error in corporate decision-making (Ferreira Vasconcelos, 2009).

(c) ***Zakāt***

Zakāh is the third pillar of Islam, and it serves as a reminder of one's broader social responsibilities to the community. *Zakāh* is spending in *Allāh*'s way that strengthens the brotherhood and establishes social cohesion (Kamil et al., 2011); purifies the soul and corrects behaviour by setting aside a proportion for those in need and society.

According to Fry (2003), spending in *Allāh*'s path drives out fear, anger, jealousy and guilt, and provides joy and peace which, in turn, leads to increased loyalty and organisational commitment.

(d) ***Fasting (Sawm)***

The fourth pillar is observing the month of Ramadhan. Fasting is an obligation that all Muslims must perform (*Qur'ān*, 2:183). Muslims must abstain from food, drink, and sexual activity from dawn to sunset, demonstrating affirmation of ethical awareness and serving as a purifying act of sacrifice of one's desires for the sake of God. It is mainly a method of self-purification and self-restraint of believer's desire for the sake of God. According to Kamil et al. (2011):

“Fasting signifies enjoining optional and obligatory fasting and encouraging coworkers to observe optional and obligatory fasting in the right manner in order to strengthen one's bond with Allah and enjoy the several positive outcomes to oneself which may lead to quality job at the workplace” (p. 169).

(e) ***Pilgrimage (Hajj)***

Pilgrimage (*Hajj*) is the fifth pillar of Islam and the most significant manifestation of Islamic faith and unity in the world. Pilgrimage is mandatory for all capable Muslims who are physically and financially able once in their lifetime (*Qur'ān* 2:196-200).

According to Kamil et al. (2011):

“Hajj implies the act of enjoining the pilgrimage to Mecca and encouraging Muslim coworkers in organisations to observe hajj when they are capable which may strengthen ones bond with Allah, and leads to enjoying the guidance and barakah of Allah, which will lead to positive guidance in one's dealings in organisations” (p. 169).

In addition to the five fundamental (pillars), Islam considers job performance, tasks, and activity as vital aspects that should be set to satisfy God and earn His pleasure. Achour et al. (2014) stated that good performance of work is considered as an act of worship (*'ibādāt*), and have two critical criteria which set for the acceptance of job and deeds. The first pertains to the sincere intention of the doer, while the other one relates to the quality and perfection. This view of Islam toward job performance and tasks require Muslim employees to show a high commitment to their organisation by respecting and setting of ethical values such as honesty, precision, and conscientiousness (Achour et al., 2014).

2.3.10.3 Remembrance of Allah (*Dhikrullāh*)

Remembrance of *Allāh* (*Dhikrullāh*) refers to all forms of remembrance of God including making supplications and recitation of the *Qur'ān*. Kamil et al. (2011) mentioned that the frequent remembrance of *Allāh* with the heart and the tongue is one of the main characteristics of the people who possess piety (*Taqwā*). Achour et al. (2014) stated that remembrance of *Allāh* are set to earn *Allāh*'s pleasure, and to help Muslims to overcome all kinds of life problems such as stress, anxiety, and work-family conflict as outlined in several places in the *Qur'ān* “without doubt in the remembrance of *Allāh* do hearts find tranquillity” (13:28); “...and the men who remember *Allāh* often and the women who do so – for them, *Allāh* has prepared forgiveness and a great reward” *Qur'ān* (33:35). According to Kamil et al. (2011):

“Dhikrullah implies the frequent remembrance of Allah by an employee while at the workplace in order to strengthen the bond with Allah which will lead to receiving a divine intervention from Allah in the decisions one make in the workplace” (p. 170).

2.3.10.4 Repentance/Forgivingness (*Tawbah*/*Al-ʿafw*)

Forgiving each other is one of the most important behaviours of Islamic teaching described in many verses such as: “those who avoid major sins and acts of indecencies and when they are angry they forgive” (42.37). The concept of forgiveness has been expressed in many terms in the *Qurʾān* such as *Al-Ghafūr* (the Most Forgiving), *Al-ʿAfuw*, *Al-Tawāb* (the Acceptor of Repentance), *Al-Halīm* (the Clement), and *Al-Raḥmān Al-Rahīm* (the Most Merciful and Compassionate). Kamil et al. (2011) mentioned that when a person forgives and excuses the offences of another person, peace and tranquillity is established, and one feels satisfied in the heart. Forgiveness has also been defined as individuals who have good intention towards others, and able to forgive those who hurt them and feel happy if they are successful in their life (Al-Amar, 2008). According to Stone (2002), in order to enhance organisational performance, employees need to feel a sense of freedom which could be attained and experienced if forgiveness is practised in workplaces.

2.3.11 Spirituality Versus Religiosity

Researchers in the field of management, religion, psychology, nursing, philosophy, and counselling also continue to debate the definition of spirituality. Confusion around the concepts of spirituality and religion is what fuels this debate (Dialmy, 2001; Zinnbauer, Pargament, & Scott, 1999; Gupta et al. 2014). Traditionally, spirituality has been linked with religion, but more contemporary views of spirituality are described as being humanistic and secular (Penman, 2012). For example, religion has been conceptualised as “a search for the significant in ways related to the sacred” (Pargament, 2002, p. 169), “the external definition of faith” (Joseph, 1988, p. 444), “an organised set of beliefs and practices of a faith com-

munity” (Furman & Chandy, 1994, p. 21), “believing” (Gotterer, 2001, p. 188), and the “acceptance of a particular set of beliefs and ethics” (Cascio, 1998, p. 524).

Badrinarayanan and Madhavaram (2008) determined several differences between spirituality and religiosity. According to them, spirituality is a highly appropriate topic to be discussed in the workplace compared to religiosity; it is a broader concept that represents belief and values, and it has a strong theoretical and empirical support for a connection between spirituality and ethics compared to religiosity which has an unclear relationship between religion and ethics. Osman-Gani et al. (2013) examined the impact of religiosity and spirituality on employee performance in multi-cultural and multi-religions. Findings reveal that the coefficient of spirituality is higher than religiosity, which indicates that a better spiritual condition influences employees more to achieve a better performance compared with ritual activity performed.

The finding of Osman-Gani et al. (2013) is consistent with Garcia-Zamor (2003) and Marques (2005) which confirm that employees in an organisation who foster spirituality will experience improved productivity, better performance, as well as support organisational performance (Karakas, 2009). As suggested by the studies mentioned above that spiritual condition can improve employees’ performance better than religiosity. Therefore, the present study attempts to enrich the understanding of spirituality by studying it from the Islamic management perspective and how it is related to employees’ performance in Malaysia, specifically in the takaful industry.

Depending on the Islamic perspective, Rulindo and Mardhatillah (2011) stated that the main difference between the Western and the Islamic perspectives vis-à-vis spirituality is the position of spirituality towards religion. According to the

Western perspective, some argue that spirituality is rooted in religion while others separate spirituality from religion. In Islam, however, *Al-Ghazzālī*'s famous work *Revival of Religious Sciences (Ihya' 'Ulum al-Dīn)* believes that spirituality (*ruhāniyyah*) is what generates belief and faith for religion (*Al-Ghazzālī*, 1992). In line with this contention, Hawa (2004) suggests that spirituality cannot be maintained unless all of the religious rituals of fasting, pilgrimage (*hajj*) and charity (*zakāh*) are regularly observed. In essence, people perform religious rituals to achieve satisfaction, happiness, good performance, and positive job commitment, and also to improve concentration, and sustain their health and well-being (Grine et al., 2015).

2.3.12 Organisational Commitment (OC)

Organisational commitment is one of the most widely examined variables in the literature. This wide interest is possibly owing to the impact of organisational commitment on attitudes and behaviours such as intention to leave, turnover, organisational citizenship behaviours, and attitudes towards organisational changes and maintaining a high level of performance in the organisation (Allen & Meyer, 1996, 2000; Meyer & Herscovitch, 2001).

The concept of organisational commitment has been defined in many ways. Richard T Mowday, Steers, and Porter (1979) defined organisational commitment as the relative strength of an individual's identification with and involvement in the organisation. Organisational commitment is the extent to which the employee's goals and values are in alignment with the organisation's values and norms (Richard T Mowday et al., 1979; Sanders III, Hopkins, & Geroy, 2005). According to Bielby (1992), commitment is "attachment that is initiated and sustained by the extent to which an individual's identification with a role, behaviour, value, or institution is

considered to be central among alternatives as a source of identity” (p. 284). Organisational commitment is an individual’s psychological attachment to an organisation that decreases the likelihood that the employees will leave the organisation (Meyer & Allen, 1991). This definition is similar with Joiner and Bakalis (2006) in which organisational commitment is defined as “a psychological attachment to the employing organisation”.

Meyer and Allen (1991) developed one of the most-cited models of organisational commitment. This model has been conceptualised into three general components: affective, continuance, and normative commitment. Meyer and Herscovitch (2001) stated that the component of commitment is different from one to another and the key differences were in the mindset presumed to characterise the commitment. In other words, each one of these components of organisational commitment contributes to an increase in the probability that the employee will remain in the organisation, but the nature of each person’s mindset varies (Rego & Pina e Cunha, 2008). This means that a given employee can be effective, normatively and continually committed to the organisation. However, the model specifies that the three components are independent of each other and relatively uncorrelated (Rego & Pina e Cunha, 2008). This section presents the three commitment components.

2.3.13 Dimensions of Organisational Commitment

2.3.13.1 Affective Commitment

Affective commitment refers to an employee’s emotional attachment to the organisation in which an employee becomes involved in, recognises the value-relevance of, and/or derives his/her identity from the association with the organisation (Rego & Pina e Cunha, 2008). For example, employees whose experience within the organisation are consistent with their expectation and feel that

the organisation treats them in a fair, respectful and supporting manner, tend to develop a strong affective commitment to the organisation (Meyer, Allen, & Smith, 1993; Rego & Pina e Cunha, 2008). Employees with strong, effective commitment tend to stay with the organisation because they want to remain (Meyer & Allen, 1991). Moreover, an employee who is effectively attached to the organisation will be highly motivated to make a great contribution to the organisation compared with an employee with a weak or less effective commitment. Therefore, it is assumed that effective commitment leads to lower turnover, reduced absenteeism, improved performance, and increased organisational citizenship behaviours (Rego & Pina e Cunha, 2008).

2.3.13.2 Continuance Commitment

Continuance commitment refers to the perceived cost that is associated with the employee leaving the organisation (Kim, 2013). Continuance commitment develops when an employee recognises that they have accumulated investment that would be lost if he/she were to leave the organisation, and/or perceives that the availability of comparable alternative is limited and has no choices other than remaining in the organisation (Meyer et al., 1993). Employees with continuance commitment remain because they need to continue their association with the organisation (Meyer & Allen, 1991) and there may be a profit-linked with continued commitment and a cost linked with leaving (Kanter, 1968). Rego and Pina e Cunha (2008) stated that employee with strong continuance commitment would feel no tendency to contribute to the organisation and going above and beyond the call of duty. As a consequence, if continuance commitment is the main tie that attaches the employee to the organisation, then, it may lead to undesirable work behaviour (Allen & Meyer, 2000).

2.3.13.3 Normative Commitment

Normative commitment is defined as an employee's perceived duty and obligation to remain in the organisation (Kim, 2013; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). Normative commitment develops when people internalise the organisation's norms through socialisation which emphasises the appropriateness of remaining loyal to the organisation and through the receipt of benefits (e.g., tuition payment or skills training) that induce within the employee a sense of obligation to reciprocate (Rego & Pina e Cunha, 2008). With normative commitment, employees feel that they ought to remain with the organisation (Meyer & Allen, 1991) and tend to want to make positive contributions (Rego & Pina e Cunha, 2008).

2.3.14 Organisational Citizenship Behaviour (OCB)

Organisational Citizenship Behaviour (OCB) is considered one of the most widely studied topics in organisational behaviour research (Kim, 2013; Organ, 1988; Podsakoff & MacKenzie, 1997; Smith, Organ, & Near, 1983). According to Podsakoff and MacKenzie (1997), organisational behaviour citizenship has become more widespread among scholars and managers which stem from the belief that these behaviour enhances and boosts organisational effectiveness. Podsakoff, MacKenzie, Moorman, and Fetter (1990) advocated that OCB is positively related to employee performance and organisational effectiveness. Vigoda and Golembiewski (2001) mentioned that OCB is a vital aspect of improving service quality, general outcomes in public organisations, effectiveness, fairness, and creating a healthy organisation climate. According to Organ who is considered to be the first scholar who has attempted to measure the construct of OCB and contributed to the literature, OCB effectively attributes financial and human resources, as well as efficiency in the organisation. OCB is also defined as "individual behaviour that is discretionary, not

directly or explicitly recognised by the formal reward system, and in the aggregate promotes the efficient and effective functioning of the organisation” (Organ et al., 2006, p. 3). In other words, OCB includes volunteering for tasks, going above and beyond the call of duty, adherence to rules and procedures of the organisation, maintaining and developing a positive attitude, making sacrifices, and helping coworkers. One key parameter of OCB is that there is no rewards or incentive for a specific action (Podsakoff & MacKenzie, 1997).

Scholars have used many terms to describe organisational citizenship behaviour such as contextual performance (Motowildo, Borman, & Schmit, 1997), prosocial organisational behaviour, organisational spontaneity, and extra-role behaviour (LePine, Erez, & Johnson, 2002). Motowildo et al. (1997) noted that contextual performance behaviours are not part of the employee’s job descriptive, and not financially rewarded. Contextual behaviours involve self-discipline, persistence, and willingness to exert effort and go beyond the call of duty (Van Scotter, Motowidlo, & Cross, 2000). Despite the fact that OCB can enhance the overall effectiveness of organisational, the formal organisational reward system does not recognise behaviour (Chiang & Hsieh, 2012). In fact, accumulated occurrences of displayed OCB are usually assumed to benefit the performance of organisations (Organ et al., 2006; Podsakoff et al., 2000).

2.3.15 Dimensions of OCB

Bateman and Organ (1983) and Smith et al. (1983) are the first empirical studies that have attempted to measure the construct of OCB. Smith et al. (1983) found that there are two distinct dimensions of citizenship behaviour: altruism and generalised compliance. Altruism is helping behaviour towards colleagues in situations that demand it. In contrast, generalised compliance described as a sort of

conscientiousness which leads to helping the system rather than to help specific people (Smith et al., 1983). For example, reporting to work on time, and not taking long breaks (Kim, 2013). In later years, Organ (1988) proposed and classified OCB into five dimensions: altruism, conscientiousness, sportsmanship, courtesy, and civic virtue. Since then, a number of studies (Finkelstein, 2006; Gautam, Van Dick, Wagner, Upadhyay, & Davis, 2005; Podsakoff et al., 2000) have divided the construct of OCB into two dimensions which are organisational citizenship behaviours directed towards individuals (OCB-I) and those directed towards an organisation (OCB-O). Altruism and courtesy are closely related to OCB-I whereas OCB-O comprises civic virtue, conscientiousness, and sportsmanship (Williams & Anderson, 1991). Williams and Anderson (1991) proposed the same factor as Organ (1988), however, they just categorise them into two distinct dimensions. Podsakoff, Whiting, Podsakoff, and Blume (2009) stated that the two most common measurement methods were the two dimensions of OCB-O and OCB-I which are proposed by Williams and Anderson (1991), as well as the five dimensions proposed by Organ (1988, 1990). Podsakoff et al. (1990, 2000) divided OCB into five sub-dimensions: civic virtue, conscientiousness, altruism, courtesy, and sportsmanship.

Following previous research, the current study examines OCB based on four dimensions which are: Altruism, Conscientiousness, Sportsmanship, and Civic virtue. This study followed the recommendation of Kim (2013) who did not consider courtesy because of the overlap between transformational leadership and courtesy. Kim (2013) defined Courtesy as “the leadership quality of being attentive to employees who may be affected by the organization’s meaningful decision-making” (p. 401). The four dimensions of OCB will be described next.

2.3.15.1 Altruism

Altruism is defined as a selfless concern for the welfare of others. It is a discretionary behaviour that has an effect of helping colleagues and members of the organisation with or preventing the occurrence of, work-related problems (Organ et al., 2006). Altruism is also defined as “helping a specific other person with an organizationally relevant task or problem” (Moorman, 1993, p. 766).

2.3.15.2 Conscientiousness

Conscientiousness is a discretionary behaviour which was named as generalised compliance by Organ and his colleagues refer to a more impersonal compliance with organisation norms, rules, and instructions that supported the system. Allen, Fecteau, and Fecteau (2004) noted that conscientious people are self-disciplined, have high aspirations and think wisely before they act. According to Chiang and Hsieh (2012), conscientiousness involves going beyond minimum role requirements of the organisation in the area of attendance, taking unnecessary breaks, and so forth. However, it is important to note that compliance in the context of OCB “does not imply merely strict obedience to an order. It denotes, rather, the more general adherence to the spirit as well as the letter of the rules or norms that define a cooperative system” (Organ et al., 2006, p. 19).

2.3.15.3 Sportsmanship

Sportsmanship is the willingness to tolerate inconveniences without complaining. According to Organ (1988), sportsmanship is defined as a willingness on the part of employees to tolerate less than ideal circumstances without complaining and making problems seem bigger than they are. In other words, sportsmanship refers to the willingness not to complain about trivial and unimportant matters and maintain a positive attitude with others.

2.3.15.4 Civic Virtue

Civic virtue behaviour on the part of employees indicates that they responsibly participate in or are involved in or are deeply concerned and interested in the life of the company (Podsakoff et al., 1990). For instance, attending meetings and keeping up on the status of the organisation, and participating in rituals which make up and are part of the organisation's tradition. The employee feels like a citizen of the organisation (Organ et al., 2006; Podsakoff et al., 2000).

2.3.16 Employee Performance (EP)

Employee performance is the most widely studied criterion variable in the organisational behaviour and human resource management (Campbell et al., 1990; Heneman, 1986; Schmidt & Hunter, 1992). It is vital to any organisation as it is considered a form of measurement of company's success (Osman, Shariff, and Lajin, 2016). Campbell et al. (1993) mentioned that job performance involves behaviours that employees do in their work and which is relevant to the goals of the organisation. Motowildo et al. (1997) define performance as the "aggregated value to the organisation of the discrete behavioural episodes that an individual performs over a standard interval of time" (p. 72). Schermerhorn (1989) pointed out that job performance represents the quantity and quality of work achieved by an individual or a group, stressing whether the task has been accomplished effectively and outcomes match the expected goal. Similarly, Imran et al. (2012) opined that employee performance is about the way in which individuals achieve organizational goals and relate their interpersonal behaviour to the company norms and values. Shingledecker, Goodale and Hall (1986) held that job performance is how an employee performs his or her tasks using time, techniques and interactions with others. Muchinsky (2003) described job performance as a combination of employee's behaviours, and it can be

monitored, measured and evaluated as outcomes at employee level and linked with the organisational goals. Motowildo et al. (1997) explained job performance as based on employee behaviour and the outcome is a vital determinant of organisational success.

Babin and Boles (1996) examined individual employees' perception of job performance. In their study, job performance refers to job-related outcomes and employee personal productivity comparison that directs towards organisational expectations and requirements. Sarmiento, Beale, and Knowles (2007) argued that job performance is often the result of at least two aspects: the abilities and skills (natural or acquired) that an employee possesses, and his/her motivation to use them in order to perform a better job. Osman-Gani et al. (2013) believed that employees could enhance and improve organisational performance and effectiveness through their ability to generate ideas and use these as building blocks for new and better products, services, and work processes. Borman and Motowidlo (1993) noted that the "link between organisational effectiveness and performance is typical logical and conceptual rather than empirical" (p. 88). Summarising the aspects of preceding definitions, the following definition has been developed; employee performance can be described as a non-financial indicators which include job-related behavior outcomes and work behaviour that is in line with organization expectations and requirements like work quality and quantity, accuracy of the job, meeting performance standards and expectations, and effectiveness of work accomplished.

Akgunduz (2015) pointed out that the literature on job performance focuses on two factors which are the importance of sustaining high job performance by employees and finding the best ways to maximising job performance. Borman (2004) mentioned that the basic implementation of necessities such as employee training and

redesigning the work environment will help to improve employee performance. Previous research also indicated that spirituality, the desire for meaningful work, and employee job satisfaction are critical elements for future organisational life and social change in our society (Robert A. Giacalone & Jurkiewicz, 2003; Karakas, 2009). Likewise, Osman-Gani et al. (2013) found that employees in an organisation that foster spirituality will experience improved productivity, better performance, as well as support organisational performance. In the same way, participatory leadership style such as transformational leadership would be positively associated with higher levels of employee performance and contribute to organisations' attempts at improving operations by optimal utilisation of its human resources (Bass & Avolio, 1994; Biswas, 2012; Gregory Stone et al., 2004; Kim, 2013). Therefore, the current study aims to explore the influence of transformational leadership, Islamic spirituality, organisational commitment, and OCB on employee performance and examine the causal relationship between the variables.

2.3.17 Dimensions of Employee Performance

It is evident from the previous studies that most researchers categorised job performance into two dimensions which are task performance and contextual performance (Akgunduz, 2015; Yang and Hwang, 2014; Bertolino, Truxillo and Fraccaroli, 2012). According to Borman and Motowidlo (1993), task performance is the traditional in-role performance which comprises behaviour that is directly related to goods manufacturing or service provision that contributes to the organisation's technical core. Conceptual performance or extra-role behaviour (OCB) can be defined as individual endeavours to carry out task activities that are not directly related to the basic duty functions of an organisation and it is not formally part of the job description (Li, Sanders & Frenkel, 2012; Borman and Motowidlo, 1997). Perera,

Khatibi, Navaratna, & Chinna (2014) adopted the theory of Cox and Nkomo (1986) which categorises job performance as performance traits, task performance, and social behaviour. Task performance is defined as a plan for the target achievement and optimise the use of resources. Social behaviour is relations with others and performance trait is a maximum effort of extension and work in a methodical way. Another recent study by Osman-Gani et al. (2013) measured employees' performance, adopting nine items from Sarmiento et al. (2007). Some of the items were related to the quality of work, dependability, and knowledge of work.

The present study adapted the instruments of Chiang & Hsieh (2012), Osman-Gani et al. (2013), and Sarmiento et al. (2007) to measure the variable of employee performance, whereby employee performance in this study is measured from the non-financial aspect and refers to job-related behaviour outcomes, and work behaviour in accordance with the organisational expectation and requirement like work quality, quantity, accuracy of the work, and meeting performance standards and expectation.

2.3.18 The Relationship between Transformational Leadership and Other Variables

2.3.18.1 Transformational Leadership and Job Performance

The relationship between leadership and performance has received considerable scholarly attention. Numerous studies have shown that literature is rich with research demonstrating the positive effect of transformational leadership and its impact on employee performance and organisational effectiveness. However, studies that examined the relationship between transactional leadership and performance have yielded disappointing findings (Vigoda-Gadot, 2007). Bass (1985) mentioned that the correlation was stronger with transformational leadership compared with the

relationship between transactional leadership and the same dependent variable. In addition, the findings of these studies have demonstrated that transformational leadership provides a number of positive benefits to the organisation, organisational leader, and individuals' employee's performance (Bass & Avolio, 1995; Gregory Stone et al., 2004; Howell & Avolio, 1993; Kim, 2013; Kirkman et al., 2009; Vigoda-Gadot, 2007).

According to Bass (1985), employees choose to perform a task out of identification with the leader or with the organisation. Such a relationship results in the employees' alignment with the organisation's values and norms. It is also suggested that transformational leadership can create identification with and internalisation of desirable values (Bass, 1985). Parry and Proctor-Thomson (2003) investigated leadership styles in public sector organisations and found that a transformational leadership has a positive effect on the innovation and effectiveness of the employees. Vigoda-Gadot (2007) mentioned that transformational leadership is more effective than transactional leadership whereby transformational managers offer an imitation model and support the employees to promote organisational aims and goal.

Studies on the relationship between transformational leadership and the measurement of performance are positive and quite strong (Geyery & Steyrer, 1998; MacKenzie, Podsakoff, & Rich, 2001; Parry & Proctor-Thomson, 2003). MacKenzie et al. (2001) examined the effect of transformational and transactional leadership on marketing personnel's performance at an insurance company. The study found that transformational leadership has a greater impact on performance than transactional leadership. Vigoda-Gadot (2007) argued that leader-member exchange theory (Graen, 1976), expectancy theory (Vroom, 1964) and exchange theory (Blau, 1964)

call for stronger balance between managers and employees whereby better performance can be attained only when there is a reasonable level of expectation-fit and when the social exchange between managers and employees is fair and equal. In line with this contention, Vang et al. (2005) suggest that there should be a reciprocal process between managers and subordinates which is based on fairness and equity of exchange and expectations.

Biswas (2012) conducted a study of 357 participants from manufacturing and service sector organisations in India. The study chose three levels of management to examine the influence of psychological climate and transformational leadership on job satisfaction which, in turn, leads to a better standard of employees' performance. The study reported that transformational leadership would significantly and positively influence employee's level of job satisfaction which will exhibit higher levels of performance.

Vigoda-Gadot (2007) conducted a study of 201 employees of a public security division of a law enforcement agency. The aim of the study was to examine the perceptions of politics among public sector organisation as a mediator between the supervisor's leadership style and both in-role performance and extra-role performance (OCB). Two alternative models were examined using exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) with structural equation modelling. The first model examines perceptions of organisational politics as a mediator in the relationship between leadership and performance. The second model is a direct model with no mediation. Findings showed that a positive relationship was found between transformational leadership and in-role performance ($r = 0.20$; $p < 0.001$), and between transformational leadership and OCB ($r = 0.22$; $p < 0.001$). On the other hand, a negative relationship was found between transactional leadership

and in-role performance ($r = -0.24$; $p < 0.001$) and negative relationship was found between transactional leadership and OCB ($r = -0.23$; $p < 0.001$). The coefficient paths and percentages of variance support the hypothesis and are in line with the mediating model. The author concluded that both models are very close to each other. However, the direct model is a better fit with the data ($df = 2$, $\chi^2 = 0.38$, $RMSEA = 0$, $GFI = 1$) but the indirect model fits the hypotheses and the theoretical rationale ($df = 4$, $\chi^2 = 4.75$, $RMSEA = 0.03$, $GFI = 0.99$). Moreover, the result showed there was a strong relationship between transformational leadership and OCB (extra-role performance). However, no significant relationship was found between transactional and transformational leadership in-role performance in the direct model.

Carter, Armenakis, Feild, and Mossholder (2013) conducted a study of 251 employees and their managers working in teams in two companies in China. The study examines the relationship between transformational leadership, relationship quality, change frequency and employee performance (i.e., task performance and OCB). The study reported that transformational leadership was related to task performance ($r = 0.85$; $p < 0.001$) and OCB ($r = 0.53$; $p < 0.001$) through the quality of the relationship developed between managers and employees.

Another interesting study by Bacha (2014), examined the impact of transformational leadership on follower task performance and on follower perception of core job characteristics and whether the gender of the leader plays a role in the leadership style in France. Using multiple regression analysis, the result shows that task performance and job characteristics are partially associated with transformational leaders in Northern France and Paris. This means that leader behaviour does have an effect on the leadership style.

In another study conducted by Yasin Ghadi, Fernando, and Caputi (2013), an attempt was made to explore the relationship between transformational leadership and work engagement through the mediating role of meaning in work. A total 4200 email invitations to complete the web-based questionnaire were sent out via a professional survey company based in Sydney, Australia. Using the two-step modelling approach developed by Anderson and Gerbing (1988), the authors test the reliability, factor loading and goodness-of-fit of each scale of the study in the first step while the second step focuses on the overall relationship between constructs. The analysis found that all the constructs were valid indicated an adequately acceptable fit. Moreover, the second step shows that the structure model fits the data adequately ($\chi^2 = 243$, RMSEA = 0.085, GFI = 0.94, TLI= 0.98). Also, there was a significant direct relationship between transformational leadership and work engagement ($B = 0.686$; $p < 0.001$), and a significant positive relationship between transformational leadership and work engagement through the mediating role of meaning in work ($B = 0.217$; $p < 0.001$). The researchers concluded that employees who have transforming managers are most likely to be energetic, dedicated and more engaged in work. Based on these arguments, as emerged from the literature, it is hypothesised that:

H1: *Transformational leadership has a positive effect on job performance*

The preceding review indicates theoretical and empirical support for both in-role performance and extra-role performance (OCB). However, research that has included both variables has been especially scarce, although supported by other research and found to be highly correlated (e.g., Chiang & Hsieh, 2012). Borman and Motowidlo (1997) differentiated between task and contextual job performance. Task performance positively contributes to an organisational goal by transforming raw

material into goods and services. Extra-role performance behaviours (OCB) are not part of the employee's job descriptive and not financially rewarded, but it is the willingness to exert effort and go beyond the call of duty. Thus, the present study explores the impact of transformational leadership on extra-role performance (OCB) and job performance, where job performance is a separate dimension from OCB and refers to job-related behaviour outcomes, and work behaviour in accordance with the organisational expectation and requirement like work quality and quantity, accuracy, and dependability (Chiang & Hsieh, 2012; Osman-Gani et al., 2013; Sarmiento et al., 2007).

2.3.18.2 Transformational Leadership and OCB

Research has revealed that there is a close relationship between transformational leadership and OCB. Nguni, Slegers, and Denessen (2006) mentioned that a number of studies undertaken in different countries across different industries showed that transformational leadership affected employee attitude including organisational commitment, job satisfaction and OCB. According to Leithwood and Slegers (2006), transformational leadership was positively related to altruism and compliance factors of OCB. Sunindijo, Hadikusumo, and Ogunlana (2007) stated that leadership behaviour could influence OCB directly and indirectly through its influence through job satisfaction.

Podsakoff et al. (1990) examined the influence of transformational leader behaviour and their effects on followers' trust in leader, satisfaction, and OCB using Organ's (1988) five-dimension model. The study which was carried out in a petrochemical organisation in the USA examined the direct and indirect effects of transformational leadership on OCB. The finding of this research revealed that there was a positive correlation between transformational leadership dimensions and

followers' OCB. Besides that, the study found that transformational leadership influenced OCBs through the mediating role of trust. Similar to this finding, Organ et al. (2006) reported that transformational leadership was associated with sportsmanship, civic virtue, and conscientiousness through job satisfaction and trust. Moreover, Jung and Lee (2000) proved empirically that transformational and transactional leadership are directly related to the dimensions of OCB. On the other hand, Podsakoff et al. (1990) showed a direct relationship between transactional leadership and OCBs but has no direct relationship between transformational leadership and OCBs. They claimed that when leaders evaluate the performance of their staff, they consider both in-role performance and extra-role performance. However, staff may see the performance of OCBs as a mean of rewards or incentive.

MacKenzie et al. (2001) investigated the impact of transformational and transactional leadership on OCB of a salesperson by considering the mediating role of trust in the model. They found that transformational leadership has a strong direct and indirect relationship with OCB compared with transactional leadership. Their finding also validated that transformational leadership behaviours influence salespersons to do better and go beyond the call of duty. Besides, Mackenzie et al. (2001) noted that intellectual stimulation, which is one of the transformational leadership factors, is found to have a negative relationship with OCBs due to the continual pressure to try new approaches and ideas of doing work which in turn cause employee to focus on in-role performance rather than extra-role performance (OCB). Babcock-Roberson and Strickland (2010) studied the relationship between charismatic leadership and OCB. The finding also showed a significant relationship between the two variables.

Kim (2012) investigated the relationship between transformational leadership, OCB, affective commitment and whether affective commitment plays the role of mediating between transformational leadership and OCB. The study surveyed full-time employees of public sector organisation in South Korea. The findings of this research revealed that the alternative model (fully mediated) provided a better fit model to the data than the hypothesised model ($\chi^2 = 536.883$, $df = 223$, $p = .000 < .001$, $RMSEA = 0.085$, $IFI = 0.918$, $CFI = .917$). Moreover, the result of higher-order structural equation modelling indicate a positive significant relationship between transformational leadership and affective commitment ($B = .377$, $t = 5.001$, $P < .001$), and between affective commitment and OCB ($B = .882$, $t = 5.642$, $P < .001$). In contrast, transformational leadership has no significant effect on OCB ($B = -.093$, $t = -1.608$, $P = .108 > .05$). Kim (2012) claimed that the result of his study was inconsistent with those of previous studies in the context of Asia because of the cultural characteristics of local government which are considered by goal achievement, results, job performance, and by a formalised and structured workplace. Such characteristics encourage employees to follow their job descriptive instead of engaging in voluntary discretionary and doing more than required by a job description.

Another study by Kim (2013) attempted to explore the role that affective commitment plays in the relationship between clan culture and OCB and whether clan culture mediates the effects of transformational leadership on affective commitment. Using 202 matched questionnaire of full-time employees of public sector organisation in South Korea. The study found that the research model with OCB as a higher-order reflective construct provided a better fit to the data than the model with OCB as a first-order construct ($\chi^2 = 586.88$, $df = 223$, $p = < .001$, $RMSEA$

= 0.08, IFI = 0.92, CFI=.92). Kim (2013) argued that his result is inconsistent with the previous studies because the prior studies focusing on Asian organisations have not considered OCB as a higher-order reflective construct. As such, the previous studies may have committed a methodological error by applying an OCB construct without conducting CFA and comparing the result for OCB as the first-order construct with those for OCB as a second-order construct. Moreover, the study indicate that transformational leadership had a significant effect on clan culture (estimate =.648, $t = 7.954$, $P < .001$), Transformational leadership had a significant positive effect on affective commitment (estimate =.202, $t = 2.397$, $P < .05$), effective commitment had a significant positive effect on OCB (estimate =.443, $t = 5.662$, $P < .001$). In contrast, transformational leadership has no significant effect on OCB (estimate = -.031, $t = -1.049$, $P = > .05$).

Suliman and Al Obaidli (2013) conducted a study of 150 employees working for several Islamic banks in the United Arab Emirates (UAE) to determine the impact of leadership behaviours on OCB. The study reported that transformational leadership has strong direct and indirect effect on OCB. For instance, transformational leadership were significantly correlated with Altruism ($r=.249$, $p<.001$), Courtesy ($r=.581$, $p<.001$), and generalised compliance ($r=.367$, $p<.001$). Humphrey (2012) examined the role of organisational identification as a mediator between transformational leadership and OCB. The study found that transformational leadership was significant and positively related to employee OCBs ($r = .29$, $p < .01$). Besides, an organisational identification which hypothesised to mediate the relationship between transformational leadership was found to be not significant. Humphrey (2012) concluded that organisational identification does not determine transformational leadership and OCB. Instead, organisational identification seems to

be having an independent effect on OCBs. Omar, Zainal, Omar, and Khairudin (2009) examined the influence of leadership behaviour on OCB in a self-managed work team. The results showed that transformational leadership behaviour had a stronger positive relationship with organisational citizenship behaviour ($r=.63$, $p < .01$) compared to transactional leadership behaviour ($r=.48$, $p < .01$). In this regard, the following hypothesis is proposed:

T2: *Transformational leadership is positively related to OCB.*

2.3.18.3 Transformational Leadership and OC

Bo (2013) stated that transformational leadership plays a vital role that makes the employee trust and respect their superior and go beyond their requirement to perform activities. Transformational leadership can inspire the follower motivation to exceed expectation and strength the organisational commitment (Bo, 2013). Khasawneh, Omari, and Abu-Tineh (2012) mentioned that many factors had been shown to influence employees' organisational commitment. It is considered to be the key determinant of organisational commitment (Dick, 2011). A number of empirical studies across different industries have revealed a strong correlation between transformational leadership and organisational commitment. For example, Koh, Steers, and Terborg (1995) found that transformational leadership had shown correlation with organisational commitment, OCB, and satisfaction to the leader and student's performance in Singapore. Bycio, Hackett, and Allen (1995) also found that transformational leadership was positively associated with the organisational commitment. Dunn, Dastoor, and Sims (2012) examined the role of transformational leadership on an organisational commitment from a cross-cultural perspective. Their study revealed that the five components of transformational leadership were found to significantly and positively linked to the two components of organisational

commitment namely, affective and normative commitment. Similarly, Simosi and Xenikou (2010) found that transformational leadership was significantly and positively correlated to organisational commitment. Kim (2013) examined the relationship between transformational leadership and active commitment. He found that there was a significant positive relationship between transformational leadership and affective commitment (estimate=.202, $t=2.397$, $p<.05$).

Khasawneh et al. (2012) conducted a study of 340 vocational teachers in Jordan during the academic year 2008/9 to determine the relationship between transformational leadership behaviour of vocational high school principals and organisational commitment of their vocational teachers. Using the Pearson correlation and stepwise regression analysis, the study revealed that the categories of transformational leadership were significantly correlated to organisational commitment. Moreover, the study found that the category most highly related was inspirational motivation ($r = 0.42$, $p = 0.000$), followed by individualised consideration ($r = 0.38$, $p = 0.000$), intellectual stimulation ($r = 0.31$, $p = 0.000$) and individualised influence ($r = 0.28$, $p = 0.000$). The study indicates that the high level of transformational leadership practised by principals will lead to high level of organisational commitment by vocational teachers.

Another relevant study conducted by Bo (2013) surveyed 675 college dean and their subordinate teachers to examine the influence of transformational leadership on teachers' organisational commitment in China. Using structural equation modelling, the study found that transformational leadership directly influence organisational commitment with a significant correlation ($r = 0.522$, $p = 0.01$). Moreover, the result fits the whole model in which transformational leadership influence organisational commitment ($\chi^2/df = 2.36$, RMSEA = 0.066, GFI = 0.89,

CFI= 0.98). Thus, the study indicates the importance for leaders in universities to acquire a noble character, behave in a charismatic way, consider personnel work and development, and serve as a role model who is admired by followers to meet organisational goal and mission.

Rafferty and Griffin (2004) investigate the impact of sub-dimensions of transformational leadership (articulating a vision, inspirational communication, supportive leadership, intellectual stimulation, and personal recognition) on organisational commitment. A survey was conducted with the participation of Australian public sector organisations and 1236 individuals who provided complete responses to the survey. The finding of this research revealed that, the measurement model including method effect provided a good fit model to the data ($\chi^2 (451) = 1345.87$, RMSEA = 0.04, GFI = 0.97, CFI=.97, $p < .001$). Moreover, the study reported that intellectual stimulation was significantly positively correlated to affective commitment ($r = 0.17$, $p < .001$) and continuance commitment ($r = 0.20$, $p < .001$). Thus, the authors suggest that intellectual stimulation may enhance ambiguity and conflict in the workplace by encouraging employees to be involved in organisational problem-solving. In addition, inspiration communication was positively correlated to affective commitment ($r = 0.34$, $p < .001$). This suggested that inspirational communication seems to have a positive influence on employees when managers express positive and encouraging message to employees and articulating a vision for the future (Rafferty & Griffin, 2004). In contract, vision did not show a significant relationship with affective commitment ($r = -.07$, $p > .05$) whereas it was negatively associated with continuance commitment ($r = -0.23$, $p < .001$).

Another study on the impact of transformational leadership on sports employee commitment and job satisfaction was conducted by Seungmo Kim, Magnusen, Andrew, & Stoll (2012). The study surveyed 325 college athletic department employees and found that individual consideration and intellectual stimulation were significantly correlated to organisational commitment ($r=.362$, $p<.01$) and ($r=.229$, $p<.05$) respectively. Moreover, Seungmo Kim et al. (2012) found that there was no significant relationship between a charismatic dimension and organisational commitment whereas there was a significant correlation between charisma and commitment to individual leaders. This shows that charismatic leadership generate a strong sense of community and sense of meaning that is directed towards the leader and not the organisation as a whole (Seungmo Kim et al., 2012). On this basis, the following hypothesis is proposed:

H3: *Transformational leadership has a positive effect on organisational commitment.*

2.3.18.4 OCB and Job Performance

Studies that examined the relationship between OCB and job performance are very limited (Chiang & Hsieh, 2012; Cho & Johanson, 2008; Yoon & Suh, 2003). Chiang and Hsieh (2012) conducted a study of 513 employees working for hotels in Taiwan to determine the causal relationship between perceiving organisational support (POS), psychological empowerment, organisational citizenship behaviour, and job performance. Besides, the study explores the mediating effect of OCB in the relation between POS and job performance and between psychological empowerment on job performance. Findings of the study showed that OCB was significantly and positively influenced job performance ($B=.30$, $p<0.001$). The study also found that OCB was a partial mediator between POS and job performance and between

psychological empowerment and job performance. This indicates that when employees exerted themselves, giving extra attention and effort and go beyond their job descriptive, human and capital resources will be used more effectively (Chiang & Hsieh, 2012).

Podsakoff et al. (2000) proposed that OCBs influence the stability of organisational performance because “conscientious employees are more likely to maintain a consistently high level of output, thus, reducing variability in a work unit’s performance” (p. 545). Moreover, helping and concern for the welfare of others, which is one of OCB’s dimensions, was found to increase the operating efficiency ratio through helping colleagues and members of organisation with their work which, as a consequence, lead to reduce work hours and help others become more productive employees (Podsakoff et al., 2000).

Cho and Johanson (2008) investigated the moderating effect of work status (full-time vs. part-time) on the relationship between organisational and supervisor support, organisational commitment, OCB, and employee performance. A survey was conducted with 308 employees working in the restaurant industry. Using multiple group structural equation modelling analysis, the study found that there were strong effects on employees’ commitment and organisational commitment on citizenship behaviours among part-time employees than full-time workers. Besides, the study found a strong and negative relationship between OCBs and one of the measures of job performance which are an intention to leave for the monetary incentive (ILM). These findings confirmed the argument of the social versus economic exchange approach which stated that when an organisation treats employees with respect and values their well-being, the employees will be more likely to develop a psychological attachment to the organisation and become more

committed. This will motivate them to go beyond what they are required to do, help co-workers, propose and suggest opinions improve work, paying extra attention to their work, and showing loyalty towards their employers and organisations (Cho & Johanson, 2008).

Yoon and Suh (2003) extended the domain of organisational effectiveness to behaviour-based performance, i.e., service quality. They examined the relationships of employees' OCB with job satisfaction, trust in manager, and customer's perceived service quality in travel agencies. The study found that there is a positive relationship between OCB and customers' perceived service quality. Therefore, the study suggests that managers should pay attention to the impact of OCB on customers' perception of service quality and customers' behavioural intention. Furthermore, employees' OCB corresponded with enhancing organisational performance and effectiveness through increasing cooperation among individual workers, proactive assistance in resolving problems for others, and willingness to attend and participate in organisations activities. As a result, this will change the overall state of mine and social atmosphere of the organisation, which in turn will lead to influence the overall employee job performance and firm's financial performance such as market share and profitability (Yoon & Suh, 2003).

Despite evidence which indicates that transformational leadership has a positive influence on OCB, very little research has sought to determine the indirect or direct relationship between transformational leadership, organisational citizenship behaviour, and job performance. Based on the above theoretical and empirical findings, the following hypotheses can be developed related to the relationship between transformational leadership, OCB and job performance.

H4: *OCB has a direct positive effect on job performance.*

H5: *OCB mediates the relationship between transformational leadership and job performance.*

2.3.18.5 Organisational Commitment and OCB

Studies investigating the antecedent/outcomes of OCB have focused primarily on job satisfaction (Bateman & Organ, 1983; Organ, 1988; Organ & Konovsky, 1989; Williams & Anderson, 1991) and organisational performance (Koys, 2001; Podsakoff et al., 2000; Podsakoff & MacKenzie, 1994; Walz & Niehoff, 2000). Another attitudinal variable that has been investigated in citizenship behaviour research is organisational commitment. Scholl (1981) assumed organisational commitment as a major antecedent of OCBs and identified commitment as a “stabilising force that acts to maintain behavioural direction when expectancy/equity conditions are not met and do not function” (593). A number of studies have revealed that there is a close relationship between organisational commitment and OCB (Kim, Park, & Chang, 2011; Nguni et al., 2006; Schaubroeck & Ganster, 1991; Zeinabadi, 2010). Williams and Anderson (1991) mentioned that organisational commitment is a relevant determinant of OCB which occurs when there is a little expectation of formal organisational rewards for their performance. Weiner’s (1982) as seen in the study of Williams and Anderson (1991) describe commitment as a responsible for behaviours that “reflect personal sacrifice made for the sake of the organisation; do not depend primarily on reinforcement or punishment and indicate a personal preoccupation with the organisation” (p. 604). As such, these characteristics that could be used to describe OCB, they give additional support for an organisational commitment to be an antecedent of OCB. Allen and Meyer (1997) found that employees with strong affective commitment tend to engage in OCB. Organ and

Ryan (1995) also proved that there was a significant positive relationship between affective commitment and OCB while there is no relationship between continuance commitment and OCB. Sangmook Kim (2006) also found a significant positive relationship between organisational commitment and OCBs among employees of government agencies.

Williams and Anderson (1991) investigate the effect of job satisfaction and organisational commitment on organisational citizenship behaviour that is directed towards individuals (OCB-I) and organisations (OCB-O). The study found that job satisfaction was significantly correlated to both forms of OCB whereas organisational commitment was not significantly related to either form of OCB. In contrast, Zeinabadi (2010) stated that it is reasonable to claim the positive relationship between organisational commitment and OCB. This is because committed employees are more likely to engage in behaviours that enhance their values and support the organisation.

Another recent study on the antecedents of organisational citizenship behaviour among part-time employees of service organisations in Korea was conducted by Kim et al. (2011). The study examines the relationship between employees' satisfaction, organisational commitments and OCB with regards to their jobs, occupations or organisations. The study reported that the hypothesised model was relatively good ($\chi^2 = 399.41$, $df = 179$, $RMR = 0.06$, $TLI = 0.91$, $CFI = 0.92$). Moreover, the result found that organisational commitment had a positive effect on OCB with path coefficient of 0.80 ($t = 4.99$). In this regard, the results of this study indicate that organisational commitment is a stable force that encourages OCBs and ultimately enhances organisational effectiveness. Zeinabadi (2010) examine the direct and indirect relationship between job satisfaction, organisational commitment

and OCBs of teachers in Tehran, Iran through testing 36 models. Structural equation modelling with maximum likelihood estimation was used to examine measurement and structural model. Result reported that only one model has best fit with observed data ($\chi^2/df = 1.97$, RMSEA = 0.040, GFI = 0.98, CFI=.99). Besides, the study found that there was a significant path coefficient between organisational commitment and OCB.

Despite evidence which indicates that transformational leadership and organisational commitment has a positive influence on OCB, very little research exists regarding the effects of specific facets of transformational leadership and organisational commitment on OCB especially in work organisation in Malaysia and specifically in Islamic insurance (Takaful). As such, more studies in this field will be necessary (Avolio et al., 2004). Moreover, there is evidence indicating that high levels of transformational leadership will lead to high level of organisational commitment (Bass, 1998; Khasawneh et al., 2012). Also in predicting OCB, organisational commitment has been studied as an antecedent variable to OCB (e.g., Sangmook Kim, 2006; Kim et al., 2011; Zeinabadi, 2010). Therefore, there is a clear need to examine the impact of these variables. Based on these arguments, the following hypotheses are put forward:

H6: *Organisational commitment has a positive effect on OCB.*

H7: *Transformational leadership has a positive effect on OCB through the mediating role of organisational commitment.*

2.3.19 The Relationship between Islamic Spirituality and Other Variables

Workplace spirituality values have been proposed as a new perspective to enhance individuals in various ways, including ethical choices, strategic decision-making, and

enhancing employee performance and effectiveness. Spirituality is becoming more predominant and acceptable in the workplace as clearly seen by the increase in development and empowerment programs, workshops, prayer meetings, the religious/spiritual language in the organisation, and requests for time off for religious obligations or holidays (Osman-Gani et al., 2013). According to Amin Mohamed et al. (2004):

“Management field and organisations may pay a heavy price for their oversight of spirituality. First, the frustration of spiritually hungry employees with their non-spiritual or anti-spiritual workplace will increase. Consequently, organisations that do allow for spirituality may develop a competitive advantage over their rivals. Second, management theories and models that ignore the spiritual dimension will remain incomplete or incorrect” (p. 105).

This section reviews the previous studies on the relationship between spirituality in the workplace, organisational commitment, OCB, and job performance.

2.3.19.1 Spirituality and Job Performance

Several studies have examined the influence of spirituality in the workplace on employee performance. For instance, Mitroff and Denton (1999) conducted one of the earliest empirical studies in the workplace. The study used interview and questionnaire administered on top executives from businesses across the USA. Findings of the study revealed that nearly all participants believe in the higher power of God over anything and felt the influence of spiritual power at the workplace. Neck and Milliman (1994) argued that spirituality involves an individual's search to fulfil their potential for greater meaning and life purpose in their work. Garcia-Zamor (2003) stated that spirituality is about bringing individual talent and unique spirits to the workplace, instead of or their bodies and minds only. He mentioned that there are

two levels of spirituality. In the first level, people are concerned about the adequacy of the workplace for their spiritual life. This is because, when spiritual people join a workplace that fits their expectation, their performance will be higher and they will support their colleagues and seek quality in their work. At the second level, the organisation stresses on spirituality to enhance and improve productivity (Garcia-Zamor, 2003). Osman-Gani et al. (2013) mentioned that the main objective of spirituality is reaching a highly evolved personal state or accomplishment of one's highest potential, which, in turn, helps to enhance employee motivation, creativity, and organisational commitment. Harrington et al. (2001) noted that employees would find true meaning and purpose in work when their congruent employees' values and spiritual aspiration are with the organisation.

Karakas (2009) reviewed 140 articles on how workplace spirituality supports organisational performance based on three different perspectives on the extent literature. First, spirituality enhances employee well-being and quality of life. Second, spirituality provides employees with a sense of purpose and meaning at work. Finally, spirituality provides employees with a sense of interconnectedness and community. The study concluded that potential benefits and caveats of integrating and incorporating spirituality at the workplace, which in turn can lead to enhance and develop organisational performance.

Another interesting paper by Osman-Gani et al. (2013) investigates the impact of religiosity and spirituality on employee performance in multicultural and multi-religious organisations. The study collected 425 completed questionnaires from employees, peers and supervisors. The result from SEM analysis reported that spirituality and religiosity have a significant positive relationship with the job performance of employees. The coefficient of spirituality was found to be higher

than religiosity, which means that better spiritual conditions influence employees more to achieve a better performance compared with performance in a ritual activity. In other words, the study has confirmed that spirituality is more significant than religiosity in influencing employees' performance.

Tsafe and Abd Rahman (2014) explore the extent to which *Shari'ah* spirituality dimensions explain board service performance of Islamic Microfinance Institution (IMFI). The study found that all the three dimensions of *Shari'ah* spirituality were significantly influence board service performance. For instance, wordly *Shari'ah* spirituality, hereafter *Shari'ah* spirituality, and neutral *Shari'ah* spirituality had a significant effect on board service performance ($t = 3.203$, $P < .001$), ($t = 5.285$, $P < .001$), and ($t = 8.825$, $P < .001$) respectively. The study suggests that by offering a variety of *Shari'ah* spiritual options, the performance of board members will be more effective and in relation to improving board strategic management. However, the study of Tsafe and Abd Rahman (2014) was not deeply defining the concept of *Shari'ah* spirituality and its components and dimensions. Grine et al. (2015) explore the impact of Islamic spirituality on women entrepreneurship, and further; examine the influence of Islamic spirituality on their understanding and practice of entrepreneurship itself. The study found that spirituality was critical in the business experience of Muslim women's entrepreneurship, and rated it as an essential factor enabling them to increase their potential, and help their employees and the wider community at large. Moreover, the study suggests reinforcing the connection with God as a common denominator to the definition of spirituality. The findings revealed that spirituality plays a significant role in the prioritising of the needs of family and life, motivation, social responsibility, and decision-making of Muslim women entrepreneurs in Malaysia.

Another relevant study conducted by Garcia-Zamor (2003) examined the link between workplace spirituality and organisational performance and how does spirituality effect the goal of every business. He suggested that Chief Executive Officers (CEO) and managers in both public and private organisations must realise that they need to focus on new organisational culture (workplace spirituality) in which employees feel happier and belonging to a work community. As a result, this will increase their performance and develop the ethical organisation. Based on these arguments, the following hypothesis is proposed:

H8: *Islamic spirituality has a positive effect on the job performance of employees.*

2.3.19.2 Spirituality and Organisational Commitment

Despite the mushrooming research on OC predictors and antecedents, the role of spirituality in the workplace on OC has yet to be determined. Rego and Pina e Cunha (2008) explored the impact of spirituality in the workplace and organisational commitment of employees. A total of 361 people from 154 organisations participated in the study. The result of their study revealed that spirituality explains 48%, 16%, and 7% of the unique variance for the affective, normative, and continuance commitment, respectively. Their finding suggests that people seem to display and develop higher and stronger affective and normative commitment and weaker continuance commitment when they experience a stronger presence of spirituality in the organisation. Besides, when employees experience a sense of community with their colleagues and feel involved in richly spiritual, organisational climates, they become more effectively attached to their organisations, experience sense of loyalty, act in a more engaged and collaborate manner. Thus, the employee develops a psychological attachment to the organisations and becomes more committed and productive to their organisation (Rego and Pina e Cunha, 2008).

Another interesting study by Mat Desa and Koh Pin Pin (2011) examined the impact of workplace spirituality on affective commitment. Using multiple regression analysis, the result shows that team's sense of community ($B=.160$, $p<.05$), sense of contribution to society ($B=.058$, $p<.05$), and enjoyment at work ($B=.242$, $p<.05$) were significantly and positively related to affective organisational commitment. In contrast, alignment with organisational values was not significant ($B=.183$, $p>.10$). The study also emphasises that employees who possess the sense of enjoyment and joy at work will naturally be committed to the organisation. Moreover, the authors suggest that organisations and employers should pay extra attention to their employees' spiritual feelings, and encourage them to engage in the corporate's activities such as corporate social responsibilities and green project that will enhance and develop their inner life and sense of community (Mat Desa and Koh Pin Pin, 2011). Similarly, Suleiman, Ismail, Nor, and Long (2012) examined the impact of workplace spirituality on organisational commitment, particularly normative commitment. The study reported that all the five dimensions of spirituality in the workplace were found significantly and positively associated with normative commitment. Therefore, academicians whom practice and value spirituality in their workplace are more likely to exhibit positive normative commitment.

Sanders III et al. (2005) examined the relationship between leadership and commitment through the mediating role of spirituality in the workplace. They found that there were significant causal relationships between leadership and spirituality in the workplace and between leadership and organisational commitment. In contrast, organisational commitment was not significantly related to spirituality; nor was spirituality found to be a significant mediator of the relationship between leadership and organisational commitment. Therefore, the findings of this study found to be

contradicted with the previously discussed research. Sanders III et al. (2005) offer only one potential reason for the result of their study which could be that spirituality is not part of the culture of their sample organisation.

In another relevant study by Milliman et al. (2003), an attempt was made to explore the relationship between workplace spirituality and employee work attitude. A survey was conducted with 200 respondents consist of mainly professionally employed adults in a part-time graduate business program from a wide range of industries in southwest USA. The authors test the reliability, factor loading and goodness-of-fit of each scale of the study and finally all the hypothesis were tested using structural equation modelling (SEM). The analysis found that all the constructs were valid indicating an adequately acceptable fit model to the data ($\chi^2 = 99$, $df = 10$; TLI = 0.94, CFI=.98, $p < .001$). Moreover, the study found that the spirituality dimensions of: meaningful work (t-value= 4.86, $p < .001$); sense of community (t-value= 4.36, $p < .001$); and alignment of values (t-value= 5.83, $p < .001$) were significant and positively related to the organisational commitment of the individuals. The study indicates that the high level of spirituality in the workplace practised by employees will lead to positive impact on employee work attitudes and ultimately the organisation. As such, organisations are encouraged to use the concept of spirituality as a tool to simply increase job productivity and effectiveness. In this regards, the following hypothesis is proposed:

H9: *Islamic spirituality has a positive effect on organisational commitment.*

2.3.19.3 Spirituality and OCB

The concept of OCB has recently received significant attention among researchers. Milliman et al. (2003) indicate that other important organisational behaviour

variables, such as organisational citizenship, should be considered for further examination. However, studies that tie spirituality in workplace and OCB are very limited. Among the earliest who have studied the relationship between spirituality in workplace and OCB is Tepper (2003). In his work, he proposes spirituality in the workplace as an antecedent to employees' OCB. He pointed out that spiritual employees, who have greater meaning and purpose in their work tend to perform and exemplify frequent acts of OCB. Similarly, Milliman et al. (2003) stated that "it is logical to assume that employees who experience deeply meaningful work or who have a strong connection to their company's values might be likely to engage in such extra-role job behaviours" (p. 442).

Kazemipour and Mohd Amin (2012) stated that one of the dimensions of spirituality which is connectedness and interaction between employees and their co-workers at work increases employee's sensitivity to focus on the needs of others, and ultimately; to intensify helping behaviour. They add that when employees bring their physical, emotional and spiritual to their workplace, they build a strong connection with co-workers and experience a strong sense of alignment between their beliefs and the organisation's values and vision, which in turn lead them to find their job more than just work. In addition, workplace spirituality is considered as a greater precursor of organisational citizenship behaviour (OCB), which improves human wholeness (Krishnakumar and Neck, 2002), encourages employees to be happy (Giacalone and Jurkiewicz, 2003), and subsequently; makes employees perform extra-role behaviour and enhances organisational performance (Pawar, 2009; Rego and Pina e Cunha, 2008). Besides that, employees who are helping colleagues and members of the organisation and being respectful to others tend to display more acts of OCB (Avey et al., 2008).

Kutcher, Bragger, Rodriguez-Srednicki, and Masco (2010) investigated the relationship between religion and OCB as well as the relationship between one's religious beliefs and practice, stress and burnout, and meaningful job attitudes. Participants were 218 people who filled out an online questionnaire. The statistical analysis of Kutcher et al. (2010) reported the following results. First, spiritual well-being predicts job satisfaction ($r=.18$, $P < 0.05$) but does not explain significantly more job satisfaction above that explained by organisational commitment ($r=.19$, $P < 0.01$). They also found a significant positive correlation among spiritual well-being and OCB ($r=.29$, $P < 0.01$). Kutcher et al. (2010) related the positive relationship between spirituality, job satisfaction, and organisational commitment to what so called "self-reflection" which is defined as "religious beliefs and practices could promote the acceptance of one's personal strengths and weaknesses, as well as the acceptance of enduring life circumstances such as one's employment situation" (p. 331). Their findings also showed that people who are more religious are more likely to engage in OCB with all its dimensions. This extends prior research by revealing that spiritual, and religious practices do not only improve job attitudes but also relate to actual behaviour in the workplace (Kutcher et al., 2010).

Pawar (2009) presents a conceptual paper to explain the relationship between spirituality and organisational behaviour (OB). He hypothesises that OCB, among other organisational behaviour concepts, constitutes a precursor of spirituality in the workplace. He mentioned that the transcendence of self-interest could be found in spiritual employees. Besides, the concept of OCB reflects an employee's transcendence of self-interests. To illustrate, OCB performance is not directly or explicitly recognised by the formal reward or incentive for a specific action whereas it reflects other-benefiting behaviours with low concern gains for oneself. Thus, "the

concept of OCB shares with the concept of workplace spirituality the aspect of employees' transcendence of self-interests" (Pawar, 2009, p. 252). Furthermore, Pawar follows the call of other researchers (Giacalone and Jurkiewicz, 2003; Karakas, 2009) to integrate spirituality in the workplace research with organisational literature.

Another relevant study conducted by Kazemipour and Mohd Amin (2012) surveyed 305 nurses from four public and general hospitals to examine the relationships between workplace spirituality, OCB, and affective commitment and whether affective commitment plays the role of mediating between workplace spirituality and OCB in Iran. Using Pearson's correlation analysis and Baron and Kenny's path analysis to test mediating variable. The study found that there is a significant and positive influence of workplace spirituality on OCB ($r = .401$, $p < .001$), and affective commitment ($r = .593$, $p < .001$). This indicates that nurses who had spirituality in their workplace tend to perform more acts of OCB and felt a greater emotional attachment to their organisational (Kazemipour and Mohd Amin, 2012). The study also found that affective commitment was a partial mediator between workplace spirituality and OCB. Besides, they mentioned that the findings of their study were in alignment with the study of Pawar (2009) which indicates that when employees engage in the transcendence of self-interest, they perform frequent acts of OCB and go beyond formal behaviour and duties which in turn increase nurses' alignment with their hospitals' goals.

Nasurudin, Nejati, and Mei (2013) examined the effects of workplace spirituality dimensions on OCB and the role of gender as a moderator between the two variables. The full-time academic staff of private institutions of higher learning in Malaysia was engaged in their study. The study reported that only one form of

workplace spirituality (meaningful work) has positive relationships with all dimensions of OCB. For instance, sportsmanship ($\beta = .269$; $p < .01$), helping behaviour ($\beta = .486$; $p < .01$), and conscientiousness ($\beta = .397$; $p < .01$). Similar to the findings of (Kazemipour and Mohd Amin, 2012), Nasurdin et al. (2013) indicate that when employees possess a deep sense of meaning and purpose in their work, and sense of community and connectedness with others, and being in alignment with their personal values and their organisation values, they are bound to become more satisfied, more creative, increase honesty, trust, and being more committed to the organisation, and ultimately; enhance and develop organisational performance.

Another interesting study considered the first research on the contemporary issues and religions and OCB was conducted by Kamil (2011). He attempts to enrich the understanding of organisational citizenship behaviour from an Islamic perspective (OCBIP) and the role of *Taqwā* (Islamic spirituality and Islamic social responsibility) as an antecedent of (OCBIP). Kamil (2011) hypothesised that spirituality of Muslim employees influences employees' performance of OCB from the Islamic perspective (OCBIP). His result shows that the path coefficient between IS and OCBIP was not statistically significant demonstrating that Islamic spirituality of Muslim employees is not a determinant of their OCBIP performance. He concluded that a person, who possesses high Islamic spirituality, may not necessarily display OCBIP if he or she does not possess good manners. Besides, he suggests and encourages researchers to examine the impact of several contextual variables with the constructs of Islamic spirituality and OCBIS.

In reviewing the relevant literature, a controversy emerges. It is a commonly held belief that spiritual people have better work attitudes (Kutcher et al., 2010; Neck and Milliman, 1994); yet, no empirical research examined the influence of the four dimensions of Islamic spirituality (belief in God; observance of rituals (*'ibādāt*); remembrance of God; and repentance/forgiveness) on organisational commitment, OCB, and job performance. Therefore, the present study represents one of the first attempts at improving employees' performance by exploring the impact of Islamic spirituality in the workplace phenomena and its contribution to the overall development of modern organisations. Moreover, exploring the link between Islamic spirituality, organisational commitment and OCB would contribute a solid empirical data to the body of literature and strengthen the empirical research on the relationship between Islamic spirituality, organisational commitment, OCB and employees' performance. Based on the above theoretical and empirical findings, the following hypotheses are proposed:

H10: *Islamic spirituality has a positive effect on employees' OCB.*

H11: *Islamic spirituality has a positive effect on job performance through the mediating role of OCB.*

H12: *Islamic spirituality has a positive effect on OCB through the mediating role of OC.*

After reviewing the literature and developing hypotheses related to the relationship between transformational leadership, Islamic spirituality, organisational commitment, OCB, and job performance, the next section discusses the gap identification and possible extension to the job performance literature.

2.4 IDENTIFY GAPS OF THE STUDY

Researchers are still exploring and grappling with employee-related problem contributing to the lower employee performance and organisational performance (Achour, 2012). A number of studies suggested further examination of job performance and investigation of different service constructs that can have an influence on job performance. Numerous studies recommended the inclusion of additional variable such as transformational leadership which considered the key elements in influencing job performance and ultimately; the overall organisational performance and effectiveness (Bass and Avolio, 1995; Gregory Stone et al., 2004; Judge and Piccolo, 2004; Kim, 2013; Kirkman et al., 2009; Limsila and Ogunlana, 2008; Suliman and Al Obaidli, 2013; Toor and Ofori, 2009; Vigoda-Gadot, 2007). Gregory Stone et al. (2004) noted that transformational leaders could develop a very powerful impact on followers and motivate them to attain the organisational objectives.

In addition to the role of transformational leadership in the organisational behaviour and enhancing employee performance, spirituality in the workplace has been proposed to integrate into workplace research with organisational literature. Spirituality in the workplace has been an area of interest of many researchers (Amin Mohamed et al., 2004; Garcia-Zamor, 2003; Kamil et al., 2011; Karakas, 2009; Kutcher et al., 2010; Mat Desa and Koh Pin Pin, 2011; Milliman et al., 2003; Nasurdin et al., 2013; Osman-Gani et al., 2013; Pawar, 2009; Rego and Pina e Cunha, 2008; Tepper, 2003; Tsafe and Abd Rahman, 2014). These researchers recommended further insight into the area of spirituality in the workplace and examination of different aspects related to spirituality in the workplace. For instance, Karakas (2009), Osman-Gani et al. (2013) and Pawar (2009) suggested that the

inclusion and the integration of additional variable such as spirituality will lead to improving productivity and support organisational performance. Garcia-Zamor (2003) recommends focusing on new organisational culture (workplace spirituality) in which employee's feel happier belonging to a work community. Fernando (2005) as seen in Tsafe and Abd Rahman (2014) claimed that the practice of workplace spirituality in the non-Christian and non-Western setting remained undressed and sparse. Further, Kamil et al. (2011) suggest researchers examine the impact of several contextual variables with the construct of Islamic spirituality.

Moreover, organisational management encourages some behaviour such as organisational commitment and organisational citizenship behaviour to increase employee performance as well as organisational effectiveness (Ahmadi et al., 2014; Buitendach and De Witte, 2005; Organ et al., 2006; Tsai and Wu, 2010). However, despite the widespread acknowledgement and the impressive amount of the importance and value of organisational commitment and OCB (Babcock-Roberson and Strickland, 2010; Humphrey, 2012; Kim, 2012, 2013; Organ et al., 2006; Suliman and Al Obaidli, 2013), there has been limited research that has specifically addressed the relationship between leader transformational behaviour, employees' organisational commitment and OCB. Kuchinke (1999) noted "although the positive effects of transformational leadership are relatively well researched in the North American context, very little is known about its effect abroad" (p. 152).

Consequently, the present research attempts to identify and test the critical factors (transformational leadership, Islamic spirituality, OCB, and organisational commitment) which are recommended for the successful of organisational effectiveness and job performance (Garcia-Zamor, 2003; Gregory Stone et al., 2004;

Kamil et al., 2011; Karakas, 2009; Kim, 2013; Kirkman et al., 2009; Kutcher et al., 2010; Limsila and Ogunlana, 2008; Mat Desa and Koh Pin Pin, 2011; Milliman et al., 2003; Nasurdin et al., 2013; Osman-Gani et al., 2013; Pawar, 2009; Rego and Pina e Cunha, 2008; Suliman and Al Obaidli, 2013; Tepper, 2003; Toor and Ofori, 2009; Tsafe and Abd Rahman, 2014; Vigoda-Gadot, 2007). This could help to get further insight into the impact of these factors on job performance. To the author's knowledge, no research has been conducted on job performance in the takaful industry where transformational leadership and Islamic spirituality in the workplace are fully explored and considered. Therefore, this research aims primarily at addressing that gap in the literature by investigating and exploring the role of transformational leadership, Islamic spirituality, OCB, and organisational commitment in enhancing organisational effectiveness and job performance in countries such as Malaysia, especially in takaful industry. Hence, exploring the link between these variables would add significantly to the body of literature and strengthen the empirical research of employee performance and ultimately enhance and develop organisational performance.

2.5 PROPOSED RESEARCH MODEL

Based on the literature review, this study proposes a conceptual framework for studying employee performance from the perspectives of several variables of interest that would impact on Islamic insurance organisations operating in Malaysia, and the variables that have not been extensively studied in past research. This framework has emerged from an exhaustive review of the literature and features four variables that would have an impact on employee performance, namely, transformational leadership, Islamic spirituality, organisational commitment, and OCB. A two-step approach will be utilised to test the causal relationship among constructs.

Specifically, the measurement model testing will be first carried out followed by the full structural model testing. Figure 2.1 depicts the proposed research model and the key relationships to be tested in this study.

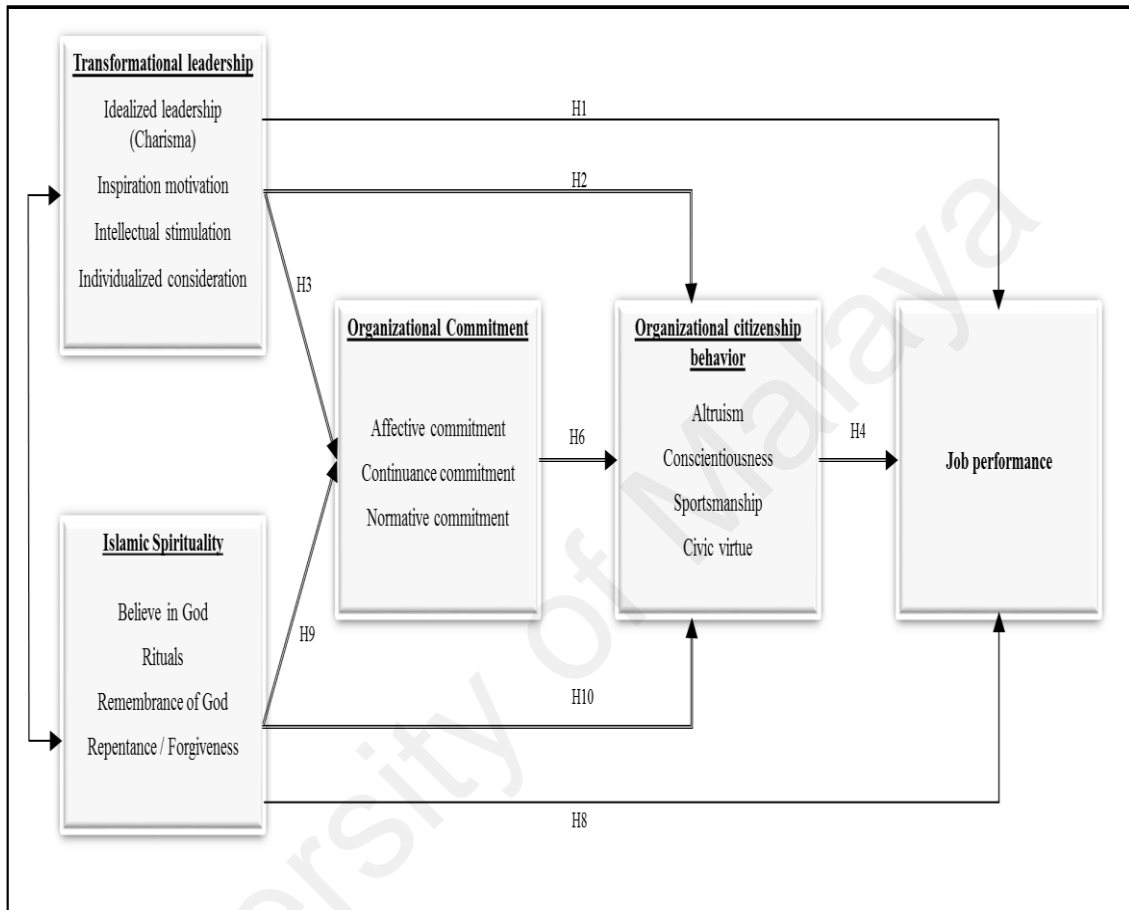


Figure 2.3: Proposed Research Model

Source: Adapted from literature

2.6 SUMMARY OF THE CHAPTER

This chapter reviewed the literature related to the area of this study and proposed a research model of employee performance. The literature review began with an overview of the concept of takaful. This followed by a comprehensive review of several theories relating to leadership, spirituality in the workplace, organisational commitment, OCB, and job performance. First, leadership theory was reviewed and

the major theories of leadership development were defined and explained. The discussion of leadership can be categorised into trait theory, behavioural theory, contextual theory, leader-member exchange (LMX) theory, transactional leadership theory, and transformational leadership theory. The review of the literature revealed that transformational leadership is the most frequently used leadership theory over the past two decades and has been particularly emphasised in connection with enhancing employee performance and contributing to organisations' attempts at improving job performance. This is followed by a critical review of the literature on spirituality in the workplace and spirituality from the Islamic management perspective. This section presents the concept of Islamic spirituality as developed by Kamil et al. (2011). According to Kamil et al. (2011), Islamic spirituality consists of certain salient spiritual aspects associated with pious people. These include belief in God (*Imān bi-Allāh*); observance of rituals (*ʿibādāt*); the remembrance of *Allāh* (*Dhikrullāh*), and repentance/forgiveness (*Tawbah/Al-ʿafw*).

The next section continues by explicating the construct of organisational commitment, organisational citizenship behaviour (OCB), and job performance. Each of these constructs was presented with a thorough evaluation of their dimensions. Following that, the extensive empirical literature on the relationship between transformational leadership, OC, OCB, and job performance; and between spirituality and OC, OCB, and job performance was reviewed.

Based on the discussions emerging from the literature, it is apparent that there is substantial evidence supporting employing organisational commitment and OCB, as the mediating variable in the framework of the present study. Relevant hypotheses are also presented after every topic related to this thesis. Finally, the

possible research gap is identified, and the proposed model for the study presented.

The next chapter will describe the methodology used to test the hypotheses proposed in this study and to answer the research questions.

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CHAPTER 3: RESEARCH METHODOLOGY

3.1 INTRODUCTION

This study examines and validates the bond between transformational leadership, Islamic spirituality, OCB, organisational commitment, and job performance. The study was conducted in Islamic insurance companies (takaful operators) in Klang Valley, Malaysia. Kamil et al. (2011) established that Islamic spirituality was not fully explored and examined in the workplace and they recommended further investigating the construct of Islamic spirituality. Similarly, very little research exists regarding the effects of specific facets of transformational leadership (Avolio et al., 2004). Research findings expressed the importance of Islamic spirituality and transformational leadership, as essential factors and traits to be possessed in organisations that want to thrive (Grine et al. 2015; Kamil et al. 2011; Gregory Stone et al., 2004; Kim, 2013; Suliman and Al Obaidli, 2013; and Karakas, 2009). Service sectors such as insurance and takaful companies were not exempted, hence; investigating the workforce dynamic in this environment was vital. This chapter concentrated on the methodology used in developing this research. The appropriateness of the methodology, the rationale for the method selected, the design of the study, the population and the sampling techniques, measurement of the variables of the study, data collection, and the model used for the data analysis were also discussed.

3.2 RESEARCH DESIGN

Research design is considered one of the most important steps in the research process. Research could be conducted using three types of designs, which are a quantitative, qualitative and mixed-method (Creswell, 2009). The quantitative

approach seems more logical for a study that involves making a distinction between variables (Johnson and Christensen, 2008). Malhotra and Birks (2007) defined quantitative approach as “a research methodology that aims to quantify the data to use statistical method for analysing and describing a data set”. Also, quantitative approach is viewed as an important and efficient tool which is used to test research hypotheses and measure some features of constructs such as the reliability and validity (Malhotra and Birks, 2007). The present study is deductive in nature by employing quantitative methods along with hypotheses testing. The focal point of this quantitative study relied on the influence of transformational leadership and Islamic spirituality on the job performance of takaful operators in Malaysia. Moreover, this approach has been extensively and effectively used in prior studies, mainly in the context of leadership and spirituality in the workplace (Kamil et al. 2011; Kim, 2013; Suliman and Al Obaidli, 2013). As such, using a quantitative scheme was the most suited process to explore the link between TL, IS, and other variables presented in this study.

3.3 SURVEY

There are several methods for data collection in quantitative research. In this research, the researcher employs a primary data approach using the survey-based methodology to obtain data. Survey research is extensively used and one of the best methods used for data collection. This is because it is convenient, inexpensive, quick, and efficient instrument that can cover a large number of data (Sekaran and Bougie, 2010; Hair, Black, Babin, and Anderson, 2010). A cross-sectional quantitative research design based on data collection at a single moment in time was adopted in this study. According to Malhotra and Birks (2007), cross-sectional research involves “the collection of information from any given sample of population elements only

once” (p. 97). As held by Kamil et al. (2011), Kim (2013) and Osman-Gani et al. (2013), the common design for empirical research such as the current study is survey. Malhotra and Birks (2007) mentioned that survey method is more adaptable for data collection purposes.

Similarly, Hair et al. (2010) noted that researchers could collect an enormous amount of data rapidly and efficiently using the survey approaches. This method has many advantages which lead the researcher to employ it in this study. These advantages include; the simplicity of administering the questionnaire, the reliability of obtained data, and ease of coding, analysing and interpretation of the findings (Malhotra and Birks, 2007). Moreover, the ability for the researchers to collect a large amount of information and data using a question and answer format (Hair et al., 2010). Emory and Cooper (1991) stated that the question and answer format is recommended especially when it is difficult to manipulate the variables of interest. Therefore, based on the advantages above, a questionnaire was used to measure the perceptions and attitudes of takaful operator’s employees, examine the research hypotheses, and verify the research model of the study.

3.3.1 Self-Administered Questionnaire

In the present study, a self-administered questionnaire was used to collect data from employees of takaful operators and takaful agencies in Malaysia. The self-administered questionnaire is “a data collection technique in which the respondent read the survey questions and records his or her responses without the presence of trained interviewer” (Hair, Bush, and Ortinau, 2003; p. 265). Based on this definition, the questionnaire is usually completed by the respondents without the presence of the researcher or interviewer. According to Saunders, Lewis, and Thornhill (2009), a self-administered questionnaire can be administered in three

ways; online questionnaire, postal or through email, and drop off questionnaire. In the online questionnaire, the research instrument is delivered and returned electronically. The postal or email questionnaire, the questionnaire is posted to the target respondents through the mail and after completion, it is returned by post or mail. In drop off method, the questionnaire is delivered and collected, after completion, by hand from each respondent (Saunders et al., 2009). In the present study, the data was collected from primary sources using the delivery and collection technique which is known as the drop off the survey. This method is appropriate to reach the right sample by delivering the questionnaire by trained survey-takers which ultimately; result in high response rate compared to mail surveys (Lovelock et al., 1976). Other advantages included in this method are cost-effectiveness and less time consuming, ability to explain the research one-on-one and clear respondents' doubt (Sekaran and Bougie, 2010).

3.3.2 Development of the Questionnaire

The research questionnaire consisted of sections A and B (see the Appendix A). Section A of the study is divided into five parts. Part one addresses questions related to transformational leadership as one of the variables of this study which was measured by 20 items developed by Bass and Avolio (1997). Part 2, organisational commitment, was measured by the 18 items developed by Meyer and Allen (1991). Part 3, OCB instrument consists of 19 items developed by Podsakoff et al. (1990). Part 4, Islamic spirituality was measured by 18 items developed by Kamil et al. (2011). Part 5, job performance was measured by 14 items developed by the researcher and consists of items from Osman-Gani et al. (2013) and Chiang and Hsieh (2012). In this section, respondents were directed to tick the relevant box in front of each question, according to their knowledge, on a 5-point rating scale.

Section B of the questionnaire sought information with regards to the demographic information of the respondent. This information includes gender, age, educational level, position, experience, the company name and the employment status. The research questionnaire (section A and B) consisted 96 items, which takes approximately 15 to 20 minutes to complete.

3.3.3 Variables and Measurement

Data were collected using a survey instrument that consists of five instruments. Hair et al. (2010) mentioned that it is much better to refer to the existing literature in developing construct measurement. Similarly, Gentry and Kalliny (2008) stated that the adaptation of strong instrument would improve the reliability and validity of the construct measurement. Besides, Hair et al. (2010) stated that it is very important to identify the relationship between constructs and indicators (i.e., reflective or formative). In this study, all indicators are considered to be caused by underlying factors and referred to as effect indicators or reflective indicators. This study consists of five variables, namely transformational leadership (IV), Islamic spirituality (IV), organisational commitment (mediating), OCB (mediating), and job performance (DV). The next subsection discusses the details of constructs examined in this study and their measurement scale items.

3.3.3.1 Transformational Leadership (TL)

The transformational leadership construct was developed by Bass (1985), where he operationalised it to include the characteristics of charisma, intellectual stimulation, and individualised consideration. Based on that, he developed a Multifactor Leadership Questionnaire (MLQ), which measured these three domains of transformational leadership (Hemsworth et al. 2013). Since the initial version of the MLQ, several researchers have strengthened and developed Bass's version (Bass and

Avolio, 1994, 1995, 1997; Behling and McFillen, 1996; Howell and Avolio, 1993). The most current version of the MLQ is the form 5X (MLQ 5X) (Bass and Avolio, 1995; 1997) and is used to measure followers' perceptions of the transformational leadership behaviour of their supervisors. The transformational leadership scale is classified into four dimensions: idealised influence (charisma) which was distinguished between attributed idealised influence (IIA) and behavioural idealised influence (IIB), inspirational motivation, intellectual stimulation and individualised consideration. Bass and Avolio (2002) stated that more than 200 research studies and doctoral dissertation had used the newly revised version of MLQ-5X which was developed by Bass and Avolio (1997). As such, this research will use the MLQ-5X developed by Bass & Avolio (1997). Reliability (internal consistency coefficients) for the TL scale ranged from .74 to .94 (Bass & Avolio, 1995). The dimension of TL (MLQ-5X) items are evaluated on a 5-point Likert scale ranging from 1 to 5. In this 5-point rating scale, 1 indicates "strongly disagree", 2 "disagree", 3 "neither agree nor disagree", 4 "agree", and 5 "strongly agree".

3.3.3.2 Organisational Commitment (OC)

Meyer and Allen (1991) developed one of the most-cited models of organisational commitment. This model has been conceptualised into three general components: affective, continuance, and normative commitment. Allen and Meyer developed two versions of the organisational commitment survey, original and revised. In the original version of the survey, there were eight statements for each of the three commitment subscales whereas the revised version includes six statements for each of the three commitment subscales. In this study, the researcher adopted the revised version of the instruments developed by Meyer and Allen (1991) which contains 18 items with Cronbach's alpha of .82. It measured three forms of employee

commitment to an organisation which are: affective commitment scale (desire-based), normative commitment scale (cost based), and continuance commitment scale (obligation-based). Responses for the subscales are on a 5-point Likert scale ranging from 1 “strongly disagree” to 5 “strongly agree”.

3.3.3.3 Organisational Citizenship Behaviour (OCB)

Podsakoff et al. (1990) adopted OCB containing 19 items. The scale includes four subscales: altruism, conscientiousness, sportsmanship, and civic virtue. Respondents rated each item on a 5-point Likert scale ranging from 1 “strongly disagree” and 5 “strongly agree”. The internal consistency reliability for subscales and aggregate scores of the OCB scale have been reported to be greater than .70 (Podsakoff et al., 1990; Royle, 2010; Spector, Bauer, & Fox, 2010).

3.3.3.4 Islamic Spirituality (IS)

Instruments measuring spirituality from an Islamic perspective is very limited. Such contributions include Mohsen (2007) and Kamil (2011). Mohsen (2007) developed a survey in his study to measure the manifestation of *Taqwā*. His questionnaire consisted of 64 items. 28 items were used to measure spirituality, and 36 items were used to measure responsibility. The purpose of his research work was to look at *Taqwā*, trust and business leadership effectiveness. As such, Mohsen developed two sets of questionnaires. One is related to the leader’s spirituality was evaluated by business unit head (leaders) while the other questionnaire related to leader’s responsibility was evaluated by the leader’s direct subordinates.

Another study worth mentioning is the study of Kamil (2011). He developed the phenomena of OCB from an Islamic management perspective and established the need for *Taqwā* serving as an antecedent of OCB from an Islamic perspective. In his

study, Kamil (2011) adapted the instrument developed by Mohsen (2007). Kamil (2011) conducted further research in the *Qur'ān* and *Hadīth* (noble tradition of Prophet Muhammad PBUH). His final revised version consisted of 17 items with factor loading ranged between .522 and .857, and the scale was labelled as ritual (*'ibādāt*), forgiveness (*Al-ʿafw*), belief (*Imām*), and remembrance of *Allāh* (*Dhikrullāh*). The internal consistency reliability of the IS scale ranged between 0.712 and 0.812 (Kamil, 2011). Therefore, the measurement items of Islamic spirituality employed in this study are adopted from Kamil (2011). However, since the current study looks at job performance while Kamli's (2011) research looks at OCB from the Islamic perspective, the instrument of Kamil (2011) was adjusted. An additional item was adopted from Achour et al. (2014) under the dimension of belief (*Imām*). Responses for the subscales are on a five-point semantic differential scale ranging with anchors labelled as: 1 "never", 2 "rarely", 3 "sometimes", 4 "very often", and 5 "always".

3.3.3.5 Employee Performance (EP)

The review of previous studies showed that there are limited measurement scales for assessing job performance as a separate dimension from contextual performance (OCB) (Osman-Gani et al., 2013; Sarmiento et al., 2007; Chiang & Hseih, 2012; and Kim, Cable, Kim, & Wang, 2009). For the purpose of the current study, the measurement of the dependent variable which is employee performance was developed by the researcher through adapting the instruments of Osman-Gani et al. (2013) and Chiang and Hseih (2012). Some items of the scale have been modified, and some replaced, while some were constructed to compensate for the newly underwent semi-development of scale. Moreover, the performance data was evaluated using peer performance rating whereby performance measurement was

done by employee's peers and their co-worker's assessment through asking each employee to rate the performance of his/her closest colleague in the company. According to McConnell (1992), peer performance rating is applied when employees work in parallel with one another and report to the same supervisor, or if the work in teams and the success of any individual largely depends on the success of the group. Respondents used a 5-point Likert scale with anchors labelled as 1 "need much improvement", 2 "need some improvement", 3 "satisfactory", 4 "good", and 5 "excellent". The internal consistency reliability for the job performance scale has been reported as .918 from Sarmiento et al. (2007) and .855 from Osman-Gani et al. (2013). The constructs measured are summarised in Table 3.1.

Table 3.1: Constructs in the questionnaire

No.	Construct	Instrument name and developer(s)	Measures	Number of Items and score Range	Adopt/Adapt
1	Transformational Leadership	Bass & Avolio (1995-1997)	5-Point rating scale (Total scale) Four subscales: Idealised influence Inspiration motivation Intellectual stimulation Individualised consideration	20 items 1-5 scale	Adopted
2	Organisational commitment	Meyer and Allen (1991)	5-Point rating scale (Total scale) Three subscales: Affective commitment Continuance commitment Normative commitment	18 items 1-5 scale	Adopted
3	OCB	Podsakoff, MacKenzie, Moorman, & Fetter (1990)	5-Point rating scale (Total scale) Four subscales: altruism conscientiousness sportsmanship civic virtue	19 items 1-5 scale	Adopted
4	Islamic spirituality	Kamil (2011) & Achour et.al (2014)	5-Point rating scale (Total scale) Four subscales: Ritual (<i>'ibādāt</i>) Forgiveness (<i>Al-a'fw</i>) Belief (Iman) Remembrance of Allah (Dhikrullah).	18 items 1-5 scale	Adopted
5	Job performance	Osman-Gani et al. (2013), Chiang and Hseih (2012) & Sarmiento et al., (2007)	5-Point rating scale	14 items 1-5 scale	Adapted
Total Items				89 items	

3.3.4 Survey Instruments Translation

This study relied on previously developed and validated scales. The original version of the five instruments, IS, TL, OC, OCB, and JP, were translated from English (see the Appendix A) to Malay (see the Appendix B) following the translation approach of Brislin (1970, 1986) (forward and backwards translation, i.e. translation and

translation back). This method was used to ensure equivalence of meaning of the items between the Malay and English versions. Three translators bilingual in English and Malay translated the English versions of questionnaire into Malay (forward translation). Those translators were instructed to retain both the form (language) and the meaning of the items as close to the original as possible but to give priority to meaning equivalence. When the Malay translations were finalised, the questionnaire was then backwards translated (from Malay to English) by three other translators, bilingual in English and Malay.

After the final backwards translation step, the Malay version of the questionnaire was shown to other translators who are experts and fluent in both languages to verify the congruence of the meaning between English and Malay version of the questionnaire. The conclusion of the translator panel was that the final version of the instrument has “linguistic congruence and cultural relevancy” (Yu, Lee, and Woo 2004; p. 310).

3.4 SAMPLE AND SAMPLING PROCEDURES

In this section, target population, sampling procedures, and appropriate sample size for this study are discussed in detail.

3.4.1 Population and Sample

In empirical research, the researcher should clarify the target population in which the researcher expects to generalise the research outcomes. A sample should represent the target population. Therefore, the process of sampling design is considered very important in research (Gay, Mills, and Airasian, 2006). The target population of this study is comprised of employees/agents working in the takaful agencies of all takaful operators in Malaysia. The list of all takaful operators was obtained from Bank

Negara (BNM). There is a total of 11 takaful operators in Malaysia which are: Syarikat Takaful Malaysia Berhad, Etiqa Takaful Berhad, Takaful Ikhlas Berhad, CIMB Aviva Takaful Berhad, Prudential BSN Takaful Berhad, Hong Leong MSIG Takaful Bhd, HSBC Amanah Takaful (Malaysia) Sdn. Bhd, Great Eastern Takaful Berhad, MAA Takaful Berhad, AmMetLife Takaful Bhd, and AIA Public Takaful Bhd. The main area covered in this research was Klang Valley because it is considered the hub of all activities and all takaful operators have their headquarter in this area. It is also noticed from the information acquired from Bank Negara that Klang Valley contains maximum takaful agencies compared to the rest of Malaysia. Therefore, it is considered suitable to choose Klang Valley for data collection. In addition, the questionnaires were given to the respective officers of the 11 takaful operators during the 2014/2015 academic session of the school year. Consent was sought from the takaful operators who voluntarily agreed to participate in the study. Then, the questionnaire was distributed by the takaful operators to the workforce agent working under their agencies.

3.4.2 Sampling Method

Respondents of the current study were selected by using disproportionate stratified random sampling procedures. According to Gay et al. (2006), random sampling is a method in which all individuals in the selected population have an equal and independent chance of being selected for the study. Sekaran and Bougie (2010) mentioned that stratified random sampling (STRS) is a process of splitting the population into a homogenous group, i.e. sections or segments called strata, followed by randomly selecting subjects from each stratum. Moreover, Sekaran and Bougie (2010) claimed that stratification is considered an impressive research sampling design because this method provides detailed information with a given sample size.

This research employed the stratified random sampling technique whereby the employees/agents of takaful agencies were stratified based on position namely, administrative, ordinary agent, junior agent, senior agent, unit manager and group agency manager, hence; creating strata. Further, owing to the fact that some strata are too small or too large, a disproportionate method was employed to select the subject from each stratum randomly. Precisely, the aim of this study was to collect data from all takaful agencies who work under takaful operators in Malaysia.

3.4.3 Determination of Sample Size

Determining the appropriate sample size is an important stage in the research process because it may have several effects on the generality of the result. Malhotra and Birks (2007) mentioned that it is very crucial for the researchers to determine the accurate sample size to obtain a reliable statistical result and manage the total cost of the data. Similarly, Malhotra and Birks (2007) noted that the appropriate sample size is essential and should be determined based on the cost, time and the resources available. Gay et al. (2006) stated that a good sample size is one that is representative of the population so that the finding can be generalised.

Many scholars proposed different rules to determine the sample size. However, there has been a lack of consensus among researchers and statisticians on the accurate sample size that should be used (Flynn and Percy, 2001). According to Comrey and Lee (1992), the sample of 50 is considered very poor, 100 as poor, 200 as fair, 300 as good, 500 as very good, and 1000 or more as excellent. Sekaran and Bougie (2010) stated that the ideal sample size depends on upon the type of the research involved. In the present study, the data collected was analysed using structural equation modelling (SEM). As such, the determination of sample size was based on the recommendation size for this technique. According to Kline (2011), the

sample size in SEM techniques should be large enough ($N > 200$) to reduce the sampling error. Hair et al. (2010) and Wang and Wang (2012) noted that researchers employing SEM to test theoretical models need large sample size because small sample size could result in low accurate estimates, inappropriate model fit statistics, and less significant findings. In line with this contention, Hair et al. (2010) emphasised the importance of sample size in the estimation and interpretation of SEM. Even though many researchers have mentioned the importance to determine an appropriate sample size for SEM, there are no absolute standards in the literature regarding the exact and appropriate sample size. For instance, a rule of thumb suggests that a sample size of 200 is considered appropriate for analysis using SEM (Jackson, Voth, & Frey, 2013). Hair et al. (2010) requires a sample of 150 to 400 in using maximum likelihood (ML) method. However, if the sample size becomes too large, that is more than 400, SEM analysis may show a poor fit of goodness-of-fit indices (Hair et al., 2010).

In addition to the above suggestions, Kline (2011) proposed a rule that is based on the number of parameters to be estimated, called N:q rule. This rule suggests that the ratio of the sample (N) to the number of parameters (q) is (10:1) to (20:1). Hair et al. (2010) recommended five observation for each parameter (5:1), and it is considered acceptable. Nevertheless, if the ratio falls below (5:1), the result will be of doubtful accuracy, and it may cause instability in the statistical results. Based on the criteria mentioned above and the suggestions of experts, the researcher decides that the sample size of 500 would appropriate for this study taking into account the number of parameters and complexity of the model.

3.5 DATA COLLECTION FROM EMPLOYEES OF TAKAFUL OPERATORS

The target population of this study comprised employees working in the takaful operators, particularly Muslim employees of takaful agencies in Klang Valley Malaysia. After the modifications were identified during the content validity and pilot study were implemented, the researcher sends an official letter stating the objective of the study, and the sample involved to all takaful operators to obtain their agreement on the distribution of the questionnaire to their agents (see the Appendix L). Most of the takaful operators agreed to assist in the data collection process and the final set of the questionnaires delivered to the respective officers of the takaful operators. Each takaful operators were informed that every respondent had to read the cover letter which illustrates the purpose of the research, a comprehensive set of instructions for completing the survey, a clarification that the survey is voluntary, and assured the anonymity and the confidentiality of the responses. After that, the takaful companies were briefed about the procedure of data collection and the expected date of submission, which was two months after the date of distribution.

Most of the questionnaires were given to the takaful operators during the 2014/2015 academic session, semester 2. At the end of the two months, some takaful operators were given extra time to complete their data collection because of their inability to do so within the initial two months. All completed questionnaires were returned to the researcher by the end of the 2015/2016 academic session, semester 1.

It is also important to notice that not all takaful operators responded to the researcher and agreed to assist in the distribution of the questionnaire. As such, the researcher contacted the remaining takaful operators by visiting their branch (takaful agencies) and met their group agency manager. After elaborating the purpose of the

research to the group agency managers, a self-administrated questionnaire was distributed to all agents working in their agencies. After that, the data were collected after the questionnaires were completed. Out of the total 800 distributed questionnaires, 600 were completed of which 513 are usable for data analysis.

3.6 CONTROLLING FOR COMMON METHOD BIAS

Controlling for common method bias is considered very important when conducting research. Podsakoff, MacKenzie, Lee and Podsakoff (2003) stated that the common method bias is caused by the method of measurement versus constructs of significance. It can also be a result of having a common rater, illusory correlation and social desirability. The current study has the potential to be affected by social desirability as respondents may answer questions in favourable ways that are considered socially accepted than their attitude or behaviour, and which can deviate their true feeling on the subject in question (Podsakoff et al., 2003). To explain, the use of Islamic spirituality and employee performance in this study may introduce the issue of social desirability. Respondents may embellish their response to show that they are more spiritual at the workplace and their performance is good. To minimise social desirability in the current study, the participants were asked to respond as truthful as possible and were assured the anonymity and the confidentiality of their responses. Besides, job performance was evaluated using peer performance rating whereby performance measurement was done by employee's peers and their co-worker's assessment through asking each employee to rate the performance of his/her closest colleague in the company.

3.7 DATA ANALYSIS

The analysis is a critical stage in the research process. Creswell (2003) mentioned that "Analysing the data consists of examining the database to address the research

questions or hypotheses” (p. 131). In this study, the data collected from the research instrument was subjected to quantitative analyses through both the descriptive and inferential using SPSS and AMOS software packages. Prior conducting the main data analysis, data entering, coding and screening were performed using SPSS. Also, the respondent’s demographic data and descriptive statistics like frequency, mean, standard deviation were analysed using SPSS software.

Meanwhile, to achieve the research objective and investigate the relationships between the constructs incorporated in the conceptual model, the researcher utilise SPSS and AMOS software to perform multivariate analysis, establish the model’s validity and evaluate the hypothesised relationships between the constructs. The use of multivariate analysis particularly structural equation modelling techniques in this analysis is important since it is good for concurrently analysing more than two variables on individual or subjects (Hair et al., 2010). While SEM techniques were used to examine the relationship between the variables and to test the fit between the proposed model and data collected, the analysis started with data screening to prepare it for the analysis (using SPSS) and to validate and confirm the measures before testing the hypothesis (using AMOS). Below the data analysis stages and techniques are discussed before proceeding with the justification of using structural equation modelling.

3.7.1 Data Preparation and Screening

After the data had been coded and raw data entered into the SPSS sheet, data screening was performed to ensure the appropriateness of data and improve its quality. Data screening is considered a very important stage in data analysis. Slight mistakes in data entry may cause drastic consequences (Kline, 2011). There are three

main aspects of data screening, namely, missing data, outliers, and normality (Newton and Rudestam, 2012). Hair et al. (2010) noted that it is important to address these issues before data analysis to avoid any violations of statistical assumptions. The following section discussed the main popular aspects of data screening and preparation, namely; missing data, an outlier, and normality assumption.

(a) **Missing data**

Missing data refers to the incompleteness of data in the complete data set when the respondent does not answer one or more questions either intentionally or unintentionally. It can also be from the researchers during data entering. There are various techniques to handle the issue of missing data. For instance, listwise deletion, pairwise deletion and mean substitution (Pallant, 2007). Hair et al., (2010) stated that the number of missing data should be below 10% whereas Churchill and Iacobucci (2006) mentioned that 5% of missing data is acceptable for analysis. However, Tabachnick and Fidell (2001) noted that cases with incomplete responses might be dropped if only a few cases from the whole sample had missing data. In this research, all the questionnaires that have missing data (either 5% or 10%) were rejected from the data set. As a consequence, out of 600 questionnaires received, 87 of them were dropped and excluded from further analysis. Hence, the number of questionnaires counted for the next data screening process was 513.

(b) **Outliers**

Another aspect of data screening is to check the data for outliers. Outliers are responses that deviate obviously from the distribution or from the rest of the observations that may exist in one variable (Hair et al. 2010). The existence of outliers in the data can violate the normality assumption leading to biased statistical result (Kline, 2011). Therefore, checking for the outlier is vital as it can affect the

mean of each variable leading to distort the final result. There are two categories of outliers, namely, an outlier with extreme values for one variable is called a univariate outlier, and an outlier with the extreme score on two or more variables is called multivariate outliers (Kline, 2011). A common approach for deducting univariate outliers is by observing the values of skewness and kurtosis. Similarly, multivariate outliers can be detected using Mahalanobis square of the distance (D^2) (Hair et al., 2010).

(c) *Normality*

After the process of checking outliers, the researcher has to check for the normality of distribution. Normality is an assumption that the distribution of the sample data is normally distributed. It is an important aspect in SEM analysis for the data to be normally distributed because the estimation technique used in SEM requires the data to be indicated as having multivariate normal distribution (Hair et al., 2010). Normality is checked via the level of skewness and kurtosis. Skewness measures the symmetry of the distribution whereas kurtosis measures how peaked is a distribution (Pallant, 2007). To check for normality at the univariate level and multivariate, Hair et al. (2010) suggested that the critical value of ± 2.58 (.01 significance level) and ± 1.96 (.05 significance level) can be used. Moreover, Kline (2011) recommended the value of skewness should be less than 3.0 and kurtosis should less than 20.0.

3.7.2 Factor Analysis

3.7.2.1 Exploratory Factor Analysis (EFA)

Exploratory Factor Analysis (EFA) is used extensively by researchers involved in the development and evaluation of questionnaires and scales (Pallant, 2007). According to Hair et al. (2010), factor analysis provides the tool for analysing the structural of the inter-correlation among a large number of variables, by looking for groups or set

of variables that are highly correlated, known as a factor. Moreover, Hair et al. (2010) stated that EFA provides two distinct, interrelated outcomes. The first is data summarising and the second one is data reduction. In summarising the data, factor analysis derives underlying subscales and dimensions that describe the data in a much smaller number of concepts than the original individual variables. In contrast, data reduction extends this process by deriving an empirical value or score for each dimension. In other words, factor analysis can also be used to achieve data reduction through refining and reducing a large number of related variable to a more manageable number for using them in other analyses such as multivariate analyses, or creating a new set of variables which is much smaller in number, to partially or completely substitute the original set of variables (Hair et al., 2010). In addition, EFA is considered an excellent starting point for many other multivariate methods (Hair et al., 2010). To explain, from the data summarising perspective, factor analysis provides the researchers with a clear understanding of which variables or dimensions may have an impact in the analysis and which one acts in concert. The data summarization can be directly incorporated into other multivariate technique through any of the data reduction techniques. Pallant (2007) mentioned that there are three steps involved in conducting factor analysis. The first step is to determine the suitability of the data for factor analysis by having enough sample size and ensure the strength of the inter-correlation among items. The second step is factor extraction which determines the smallest number of factors that can be used to best represent the interrelation among the set of variable. The last step is factor rotation and interpretation.

Costello and Osborne (2009) noted that certain issues and problems might emerge relating to data. However, the validity of items can be manipulated and determined by a large sample. One such problem explained by Velicer and Fava (1998) is when item communalities are all equal to 0.8 or higher. However, this is improbable to occur in real data. The common range for communalities in social sciences is low to moderate ranging from .40 to .70. If an item emerges with communality of less than .40, it illustrates that either the item is not related to other items or it suggests that there is an additional factor that should be investigated. In this case, the researcher should decide whether to delete that item which is less than .40 or add similar items for future research (Costello and Osborne, 2009).

Moreover, Costello and Osborne (2009) stated that the nature of EFA is to help the researchers to explore the data set, and they mentioned that many researchers use EFA when it is suggested for them to use CFA. In the current study, EFA was used to answer the first research objective which is to find the underlying measurement/dimensions of job performance from the perspective of takaful operators' employees/agents. After that, an overall EFA was performed for the other adopted constructs, namely, transformational leadership, Islamic spirituality, organisational commitment, and organisational citizenship behaviour. This was used to ensure that there are stability, consistency, accuracy, and the distinction between the items of each construct (Sekaran and Bougie, 2010).

3.7.2.2 Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis (CFA) is a measurement theory that specifies how measured variables represent constructs involved in a theoretical model (Hair et al., 2010). Kline (2010) mentioned that CFA is the core procedure of the SEM family tree, and used to ensure the accuracy of the results because it decreases the overall

effects of measurement error of individual indicators. Moreover, it is used when the researchers have sufficient knowledge about the structure of the latent variable under examination (Byrne, 2010). Hair et al. (2010) stated that “CFA is applied to test the extent to which a researcher’s *a-priori*, the theoretical pattern of factor loadings on prespecified constructs represent the actual data” (p. 693).

Many researchers (Byrne, 2010; Hair et al., 2010; Kline, 2011) have suggested different fit measurement evaluate the measurement model, as well as, the full-fledged structural model. This goodness-of-fit measures can be categorised into three measures, namely, absolute, incremental, and parsimony measures (Hair et al., 2010). Absolute fit indices measure how the proposed research model fits the data. The absolute fit indices include chi-square (X^2 statistics), Goodness-of-Fit Index (GFI), Root Mean Square Error of Approximation (RMSEA), and Normed chi-square ($\chi^2 = df$). Incremental fit indices measure how the degree to which the proposed model fit the data in relation to alternative models (Hair et al., 2010). The difference between the absolute and incremental indices is the assessment in absolute done without comparing with other models whereas incremental indices are compared with other alternative models.

Incremental indices comprised of Normed Fit Index (NFI), Tucker-Lewis Index (TLI), Comparative Fit Index (CFI), and Relative Noncentrality Index (RNI). Finally, Parsimony fit indices compare the fit of the model with its complexity and report the best between the comparable models. Parsimony fit indices consist of the adjusted goodness-of-fit index (AGFI) and parsimony normed fit index (PNFI) (Hair et al., 2010). Hair et al. (2010) suggested that three or four fit indices are enough to support the fitness of the model. They recommend reporting one measure from each group along with X^2 and df . In this study, measurement models were assessed by

Normed chi-square (X^2/df), the comparative fit index (CFI), the normed fit index (NFI), the Tucker-Lewis Index (TLI) and root mean square error of approximation (RMSEA). Incremental indices (CFI, NFI, and TLI) are used to measure the proportionate improvement in the model by comparing the hypothesised model and the baseline model. While RMSEA is considered one of the most informative criteria in covariance structural equation modelling, where it takes into account the approximation error in the population (Byrne, 2010). The recommended threshold for these measures is presented in Table 3.2 (Byrne, 2010).

Table 3.2: Recommended fit statistics

Fit indices	Description	Recommended values
X^2/df	Normed Chi-square	<5 acceptable, <3 good fit
CFI	Incremental/comparative	>.90 acceptable; 0.95 good fit
NFI	Incremental/comparative	>.90 acceptable; 0.95 good fit
TLI	Incremental/comparative	>.90 acceptable; 0.95 good fit
RMSEA	Absolute fit	<.05 good fit; <.08 acceptable
AGFI	Parsimony fit	>.80 good fit

3.7.3 Reliability and Validity

Hair et al. (2010) stated that it is important for the researchers to establish and test the reliability and validity of their research construct when testing any measurement model. Various methods are used by scholars to test reliability as well as the validity of the instrument. The following section discusses the reliability and validity of this study.

3.7.3.1 Reliability

Reliability refers to the stability and consistency of a particular measure or instrument. It ensures consistent measurement across time and the variations items in the instrument (Creswell, 2008). According to Hair et al. (2010), reliability refers to the degree to which items in an instruments group together. The most common method to attest reliability of the instrument is through factor analysis using Principal Component Analysis (PCA). PCA used to assess whether the research construct fulfils the reliability criteria or not (Pallant, 2007). Besides, Hair et al. (2010) noted that Cronbach's alpha with the value above .70 is recommended to achieve an acceptable level of reliability.

Another advanced method to confirm the reliability is confirmatory factor analysis (CFA). Hair et al. (2010) stated that using CFA might lead to a superior assessment of reliability since the technique can evaluate the solidity of the construct more efficiently. The construct reliability (CR) value of 0.7 and above indicate acceptable composite reliability. The present study uses both Cronbach's alpha and constructs reliability to confirm the reliability of the scale used.

3.7.3.2 Validity

Golafshani (2003) stated that the concept of validity determines how truthful the research findings are and how the measurement items truly measure what they were intended to measure. Creswell (2008) mentioned that "validity is the individual's scores from an instrument make sense, are meaningful, and enable you, as the researcher, to draw good conclusions from the sample you are studying to the population" (p. 169). Validity is also defined as "the extent to which differences in observed scale scores reflect true differences among objects on the characteristics being measured, rather than systematic or random errors" (Malhotra and Birks, 2007).

p. 278). Typically, there are three types of validity, namely, content validity, convergent validity, and discriminant validity (Hair et al., 2010; Creswell, 2008). These types of validity are discussed and elaborated below:

(a) ***Content validity (Face validity)***

Content validity is the extent to which a measure represents an adequate set of scale items that tap the construct or concept (Sekaran and Bougie, 2010). Murphy & Davidshofer (2005) stated that content validity is the extent to which the items are properly developed and provide a representative sample of the content domain of the trait attributes that is to be measured. In other words, content validity is a function of how well and effective the scale items of the construct have been defined and delineated. McIntier and Miller (2000) stated that there are two steps of obtaining evidence of content validity. The first step is defining the characteristics being measured. The second is by getting an expert to evaluate each statement of the scale and ensure that the questions are clear and unambiguous. To test the content validity of this research, a draft of the questionnaire was distributed to five academic lecturers from International Islamic University Malaysia (IIUM) and University Malaya (UM). Out of five, three were from IIUM and two from UM. Then, three experienced practitioners from the takaful industry were given a set of questionnaire to determine if the questionnaire designed for this study was clear and easily understood. The decision of the lecturers and experts were carefully considered, and improvement were made to the clarity of scale, including revision in the instruction, questions, and the wording of scale items.

(b) ***Convergent validity***

Convergent validity tests the constructs of a single factor that are expected to be highly correlated (Hair et al., 2010). Malhotra and Birks (2007) define convergent

validity as “the extent to which the scale items correlate positively with other measurements of the same construct”. A number of methods used to estimate the convergent validity such as factor loading, variance extracted, unidimensionality and reliability (Hair et al., 2010). For this study, factor loadings, composite reliability (CR) and average variance extracted (AVE) will be used to assess convergent validity (Hair et al., 2010). To assess convergent validity, Hair et al. (2010) demonstrated that factor loadings are to be equivalent to or higher than .50, composite reliability (CR) value must be greater than average variance extracted (AVE), and AVE value must be greater than 0.5.

(c) ***Discriminant validity***

Discriminant validity is another type of construct validity which refers to the degree to which a measure does not associate with other constructs (Malhotra and Birks, 2007). Farrell and Rudd (2009) stated that “Discriminant validity means that a latent variable is able to account for more variance in the observed variables associated with it than a) measurement error or similar external, unmeasured influences; or b) other constructs within the conceptual framework” (p. 2). Numerous existing method can be used to test discriminant validity. According to Farrell and Rudd (2009), researchers can conduct a paired construct test, apply (Farrell and Lacker, 1981) technique, or conduct a multi-trait multi-method. However, Fornell and Larcker (1981) techniques represent the most stringent test that is used for discriminant validity (Farrell and Rudd 2009). Besides, Farrell and Rudd (2009) mentioned that researchers should conduct EFA first to identify cross-loading items. Once EFA has been conducted, CFA should be performed. After that, AVE and shared variance estimates should be compared to assess discriminant validity. According to Hair et al. (2010), discriminant validity is demonstrated if the AVE for the contrast is greater

than the value of multiple shared variance (MSV) and the average shared variance (ASV), ($AVE > MSV$; $AVE > ASV$). Also, discriminant validity can also be established when the square root of AVE is greater than the inter-construct correlations (Hair et al., 2010).

3.7.4 Pilot Study

As previously explained, the researcher employed content validity approaches to examine the extent to which a measure represents an adequate set of scale items that tap the construct or concept. At this stage, weaknesses and statement consistency, the use of appropriate terminology was identified by experts and considered by the researcher. After that, a pilot test also was conducted to examine the appropriateness, instrument adequacy, and the reliability of the translated instruments. According to Creswell (2003), it is important to test the clarity and the reliability of the instruments in a pilot study before the actual data collection of the main study. Therefore, the survey questionnaires were distributed randomly to the respective respondents, who are the takaful operator's agents around Klang Valley area. Overall, out of the total 150 distributed questionnaires, 145 were returned with 132 usable questionnaires for data analysis. The result of the pilot study revealed that some questions and scale items were not clear. As such, revision and improvement were made accordingly and based on the received comments and feedbacks. Besides, the result showed that the instruments of the study have good reliabilities indicating that the main study data collection can proceed. Details on the Cronbach's alpha values and Kaiser-Meyer-Olkin (KMO) for all constructs are presented in Table 3.3 below:

Table 3.3: Reliability and KMO for the pilot study

Constructs	No. of Items	Alpha Value	KMO	Bartlett's (p<.05)
Transformational Leadership	20	.960	.915	$X^2(190) = 1714.067$; Sig.=.000
Islamic Spirituality	18	.943	.857	$X^2(153) = 1001.841$; Sig.=.000
Organizational Commitment	18	.871	.913	$X^2(153) = 1234.389$; Sig.=.000
OCB	19	.956	.816	$X^2(276) = 953.683$; Sig.=.000
Job performance	14	.892	.927	$X^2(91) = 1375.690$; Sig.=.000

3.7.5 Structural Equation Modelling (SEM)

Structural Equation Modelling, or SEM, is a multivariate statistical method that can handle a large number of dependent and independent variables. SEM is a confirmatory technique rather than exploratory used to examine simultaneous effects of multiple independent and dependent variables (Ullman, 2006). Hoe (2008) mentioned that the SEM is a powerful technique that is essentially related to testing the hypothesis and several dependent and independent variables simultaneously. According to Hair et al. (2010), SEM can be viewed as a combination of factor analysis, path analysis and regression that permits to concurrently examine a set of causal relationship between the observed variable and latent construct, and between different latent constructs. Moreover, the advantage of SEM is the graphic interface of the software (AMOS) which allows the researcher to modify the models to achieve a good fit (Hair et al., 2010). Kline (2010) stated that using SEM allows the researcher to achieve the best model using the combination of variables that correspond with the data well, resulting in logical justification of the data. Besides that, Byrne (2010) stated that SEM has two unique features which make it more efficient than other statistical tools. According to her, a series of structure equations

(regression) are used to establish a causal process, and more interestingly, the second feature of SEM is its ability to portray structural relationships pictorially which assist in the illustration of the model (Byrne, 2010).

In the present study, SEM is selected based on its distinguishing characteristics which are “to estimate multiple and interrelated dependence relationships among constructs, to represent unobserved concepts in these relationships and to define a model that explains the entire set of relationship” (Hair et al., 2010, p. 635). In other words, using the SEM technique will allow the researcher to incorporate and integrate multiple latent constructs (unobserved variable) in one model and focus more on the theoretical explanation of the constructs rather than prediction purposes. According to Hair et al. (2010), SEM is the best statistical method to use when investigating simultaneous effects of multiple exogenous and endogenous variables. They mentioned that SEM is widely acknowledged as a confirmatory analytical tool where it estimates the vigour of hypothesised relationships of the construct. Also, the SEM technique is considered much better than other multivariate technique such as factor analysis, path analysis, and multiple regression analysis because it comprises all these features in one statistical tool (Hair et al., 2010).

There are many reasons behind using SEM and why the usage of it as a statistical technique is popular among researchers nowadays. First, SEM can be thought of as a unique statistical tool because SEM’s foundation lies in two familiar multivariate techniques: factor analysis and multiple regression analysis (Hair et al., 2010). Second, SEM is deemed the best statistical technique which used when investigating simultaneous relationships among multiple dependent and the dependent variable, multiple regression, factor analysis, path analysis, validity and

reliability of constructs, correlated independent variable, and correlated error terms (Byrne, 2010). Third, using SEM allows researchers to analyse complex model and to compare the proposed model with the alternative model, which in turn will lead to the possibility of testing a better model for the proposed hypotheses (Byrne, 2010). Fourth, using SEM assists the researchers to control any reliability issue in their measurement models (Hair et al., 2010). Finally, SEM is considered the preferred method for the mediation analysis. This is because it can model mediating variables, multiple dependent variables effectively and simultaneously (Baron & Kenny, 1986).

According to Hair et al. (2010) SEM consist of two main parts, measurement model and structural model. In the present study, the measurement model was used during the Confirmatory Factor Analysis (CFA) to assess the reliability and validity of the model, while the structural model was used to estimate the vigour of hypothesised relationships of the construct. The six phases demonstrated in Figure 3.1 will followed by the researcher to successfully conduct structural equation modeling.

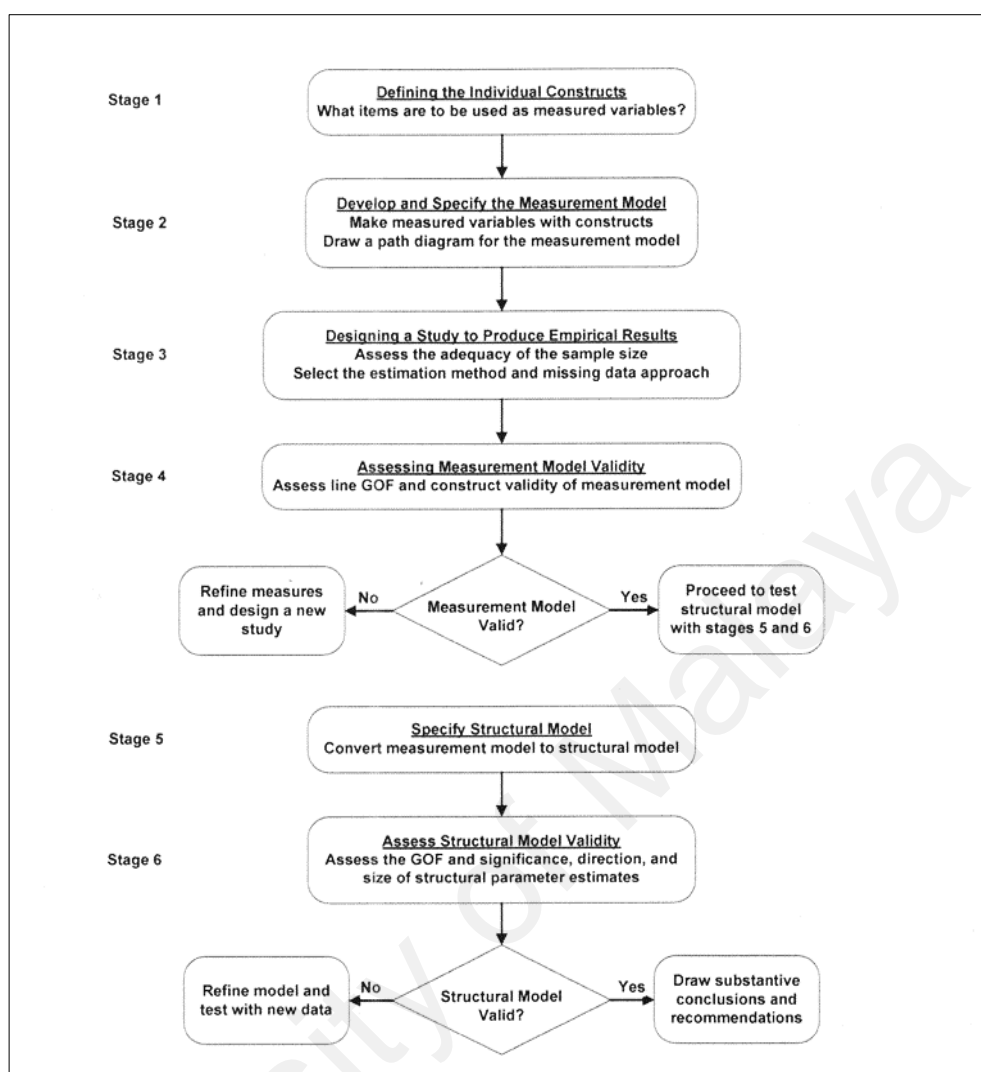


Figure 3.1: Six-Stage Process for Structural Equation Modeling

3.7.6 Assessment of Mediating Variables

There are different ways of measuring mediating variables. Hayes (2009) mentioned that the most widely used method is the causal steps approach developed by Baron and Kenny (1986). However, the Baron and Kenny's mediation analysis has been criticised heavily on multiple grounds (Hayes, 2009). This is because of the argument about the significance of the relationship between exogenous and endogenous variable before and after including intervening variable (Mediation). Another criticism of this approach is the lack of potency when measuring the strength of mediation whereby Baron and Kenny's test is not based on a

quantification of the very thing it is attempting to test the intervening effect, rather, it is based on the outcome of hypothesis tests.

Moreover, Byrne (2010) and Hair et al. (2010) explained other procedures for measuring mediator. According to them, the first important step when measuring for mediation is to check if the direct and indirect path is significant. In other words, the path from an independent variable to dependent variable and the path from independent variable to a dependent variable through the mediating variable. If the direct path between the independent variable and the dependent variable is insignificant, then it confirms the evidence of full mediation (Byrne, 2010). However, the indirect path must be significant to confirm full mediation. However, if the direct effect between the independent variable and the dependent variable is still significant when the mediator variable enters the model, then we denote this as partial mediation (Hair et al., 2010). Further, in case the coefficients of both direct and indirect paths are significant, Hair et al. (2010) recommend to multiple the result of the coefficient of the indirect path. If the result of the multiplication is greater than 0.08, then the mediation role is supported.

Another approach to confirm the mediation effect is through the bootstrapping method. According to Zainudin (2014), this method is used to test and confirm the indirect effect using the resampling procedure called bootstrapping. The bootstrap method developed by Preacher and Hayes (2004) is a test that:

“Generates an empirical representation of the sampling distribution of the indirect effect by treating the obtained sample of size n as a representation of the population in miniature, one that is repeatedly resampled during analysis as a means of mimicking the original sampling process” (Hayes, 2009. p. 412).

The number of resampling could be between 1000 to 5000 times. However, Hayes (2009) recommended at least 5000 times. According to Hayes (2009) and Mackinnon et al. (2002), bootstrapping is a powerful method for testing and assessing mediation effects. Its main feature is that it is based on an estimate of the indirect effect, unlike the assumption of other tests such as the Sobel test which relies on the assumption of normality and sampling distribution. As such, bootstrapping has the advantage over the other tests and can determine the mediation effect with certainty (Ul Hadi, Abdullah and Sentosa, 2016). Also, using bootstrapping can determine the stability of parameters estimates, detect non-sample size bias, and provide high accuracy for computing confidence intervals for mediation effect when the mediation effect is non-zero (Preacher and Hayes, 2008; Byrne, 2001; and Mackinnon et al. 2008). Therefore, this research adopted the causal approach suggested by Hair et al. (2010) and Byrne (2010) to test the mediation effect of two constructs which are organisational commitment and OCB. Bootstrapping techniques were also used to confirm whether OC and OCB play the role of mediation between TL, IS, and JP.

3.8 CHAPTER SUMMARY

This chapter explained the methodology used in this study. The chapter begins with the research design which clarifies the use of the quantitative approach in this study. This is followed by a deep explanation of survey as a primary data approach using self-administered questionnaires to obtain data. Then, the development of the questionnaire, measurement items for each variable, and survey instruments translation are discussed. After that, the sampling design, the adequacy of the sample size, and data collection are deeply elaborated. Finally, the chapter ends with clarification on the procedures used in data analysis which includes, data screening,

factor analysis (EFA and CFA), reliability and validity, pilot study, and justification of SEM analyses. The next chapter of this research presents the data analysis and findings.

University of Malaya

CHAPTER 4: DATA ANALYSIS

4.1 INTRODUCTION

This chapter presents the findings of data analysis which starts with data preparation and screening, normality assessment, multicollinearity, and descriptive analysis of the demographic profile as well as the response rate and the attribution of the questionnaire. The next section discusses the result of explanatory factor analysis (EFA) used to answer the first research question. After that, an overall EFA was performed for the other four constructs which have been adopted from prior studies, namely; transformational leadership, Islamic spirituality, organisational commitment, and organisational citizenship behaviour. This was used to ensure that there are stability, consistency, accuracy, and the distinction between items of each construct. After EFA, the validating of the measurement model of latent constructs is deliberated using confirmatory factor analysis (CFA). This is followed by the assessment of the fitness of the overall measurement model. Then, the result of full-fledged structural model is discussed along with all the result of hypotheses testing in the present study. The chapter ends with the chapter's summary.

4.2 DATA PREPARATION AND SCREENING

Data preparation and screening are considered the first stage to clean the data for further analysis. In this research, data obtained from respondents were coded and entered using SPSS (Version 21) to ensure that the data is usable for analysis. Tabachnick and Fidell (2001) stated that data cleaning is used to ensure the accurate of the result and should involve few stages prior to conducting main analysis: the accuracy of data input, checking and treating the missing data and outlier and finally, ensuring the assumption of normality. In the same way, Schumacker and Lomax

(2004) noted that it is crucial for the researchers to consider the issue of missing data, outlier and normality, as they might not affect traditional statistics but violate the statistical assumption of SEM. Besides, Hair et al. (2010) stated that the test of statistical assumptions is very important in multivariate analysis. The first reason is the complexity of the model owing to the typical use of a number of variables. The second reason is the complexity of the analyses. As such, researchers must be aware of any assumption that may violate the data and the interpretation of the result. In the following section, we focus on four popular aspects of data screening and preparation, namely, missing data, outliers, normality and multicollinearity.

4.2.1 Missing Data

As mentioned previously (see chapter 3), there are various techniques to handle the issue of missing data. According to Kline (2011), when the missing data is less than 5% on a single variable in a large sample size, it might be of little concern. Hair et al. (2010) noted that when the missing value exceeds 10%, and the sample size is more than 250, the response is suggested to be excluded from the analysis. In this research, out of 600 questionnaires received, 87 (14.5%) cases appeared to have serious missing information (more than 10%) in various parts of the questionnaire. Following the guideline by Hair et al. (2010), these responses were excluded from the analysis. The remaining (513 total usable questionnaires) were observed to assess the minimal missing data. Using frequency distribution in SPSS, the result revealed that no missing data were detected. Details on the response rate for data collection were presented in Table 4.1.

Table 4.1: Summary of the response rate

	No	Percentage (%)
Total questionnaire received	600	100
> 10 % Missing data	87	14.5
Total Usable data	513	85.5

4.2.2 Outlier

Outliers are responses with extreme values on either dependent and independent variables or both which are different from the rest of the observations in the similar data set (Kline, 2011). A number of researchers argue that it is very important to inspect for outlier as it can affect the statistical test such as the mean, standard deviation, and correlation coefficient values (Pallant, 2007; Schumacker & Lomax, 2004). As mentioned previously (see chapter 3), an outlier can be categorised into univariate outlier and multivariate outlier. In this research, univariate outliers were assessed through the boxplot test. The result revealed that 31 outliers were identified and deleted from the data set (see the Appendix C). Table 4.2 presents the deleted outliers for all constructs of this study.

Table 4.2: Summary of deleted outliers

Variables	No. of case (ID) deleted
Transformational leadership	229, 126, 219, 214, 50, 346, 133, 383, 371, 118
Organisational commitment	260, 191, 415, 220, 117
OCB	293, 60
Islamic spirituality	184, 230, 497
Job performance	478, 493, 495, 12, 245, 52, 491, 101, 511, 311, 9

The remaining 482 questionnaires were also used to check the values of skewness and kurtosis. According to Kline (2011), if the skewness values are less than 3 and kurtosis is below 10, there are no outliers in the data set. Following the guidelines of Kline (2011), the result revealed (Table 4.3) that there are no potential univariate outliers in the data set, as the values of skewness and kurtosis are below the threshold values. Moreover, multivariate outliers were assessed using Mahalanobis square of the distance (D^2). The result revealed that there were no substantial outliers found.

Table 4.3: Result of Skewness and Kurtosis for all constructs

	Mean	Skewness	Std. Error	Kurtosis	Std. Error
Transformational leadership	4.03	-.137	.111	.220	.222
Organisational commitment	3.81	.030	.111	-.088	.222
OCB	3.76	.373	.111	-.016	.222
Islamic spirituality	4.1	-.321	.111	.015	.222
Job performance	3.92	-.059	.111	-.685	.222

N = 482

4.2.3 Assessment of Normality

After examining the missing data and outlier which used to clean the data and make it more suitable for multivariate analysis, the next step was to ensure the normality of the data distribution before any analysis of the data (Byrne, 2010). Hair et al. (2010) stated that normality refers to the shape of the data distribution for an individual metric variable and its correspondence to the normal distribution. There are many ways to check the normality distribution of the data. Normality test can be performed graphically through histogram, box Plot, and Q-Q Plot and numerically through using skewness and kurtosis analysis. However, Hair et al. (2010) suggest that assessing few normality tests such as Q-Q plots, skewness and kurtosis are enough if the sample size is large. Moreover, Hair et al. (2010) noted that large simple size

tends to diminish the detrimental effect of nonnormality and assessing univariate normality for all variable is sufficient. Following this suggestion, the present research checks for Q-Q plots and the result revealed that the major of the data are spread around the normal line, and the assumption non-linear fashion was met. (See the Appendix D).

In addition, the data is further checked through skewness and kurtosis. As a conservative rule of thumb, Hair et al. (2010) noted that the critical value of ± 2.58 (0.01 significance level) and ± 1.96 (0.05 significance level) could be used easily to assess the degree to which the skewness and peakedness of the distribution vary from the normal distribution. Kline (2011) argue that the skewness value should be within ± 3 and the kurtosis value should be within ± 10 . As for the analysis of this research, the result showed that none of the variable items had skewness and kurtosis issue and all values did not exceed the cut-off point value recommended above (see Tables 4.7, 4.8, 4.9, 4.10, and 4.11). This result proved that the data is normally distributed and the sample data was consistent with the normality assumption.

4.2.4 Multicollinearity

Multicollinearity refers to the relationship among independent variables (Pallant, 2007). It exists when the relationship between the variables in the same model are very high correlated among themselves (Pallant, 2007 & Hair et al., 2010). According to Hair et al. (2010), multicollinearity might affect predicting the variance in the dependent variable as well as ascertain the relative roles of each independent variable. As multicollinearity increases, the total variance explained decreases and the amount of unique variance for the independent are reduced.

Collinearity is identified by examining the correlation matrix for the independent variables. Any value greater than .90 is an indication of substantial collinearity (Hair et al., 2010). Another common measures to inspect the issue of multicollinearity is tolerance and its inverse, the Variance Inflation Factor (VIF). When tolerance values below or equal 0.10 and VIF values higher or equal 10, then multicollinearity exists (Hair et al., 2010). The result showed that collinearity was not found in the correlation matrix and all the values were less than .9 (see the Appendix E). The result in Table 4.4 revealed no evidence of multicollinearity in the present data and the tolerance values were in the range from .648 to .785. Similarly, VIF did not exceed the cut-off point value recommended by Hair et al. (2010) and Pallant (2007), and all the values were in the range from 1.274 to 1.543.

Table 4.4: Result of multicollinearity for all construct

Variables	Collinearity Statistics	
	Tolerance	VIF
Transformational leadership	.648	1.543
Organisational commitment	.785	1.274
Islamic spirituality	.656	1.525
OCB	.700	1.428

* Dependent variable: Job performance

4.3 DESCRIPTIVE ANALYSIS

After data screening and preparation, the next step is descriptive analysis. Descriptive statistics help researchers to identify the background information of respondents which include personal information as well as job-related information. The following section highlights the questionnaires' response rate before proceeding to the demographic profile of the respondents.

4.3.1 Response Rate

800 questionnaires were distributed to employees working in the takaful agencies in Klang Valley. Out of 800 questionnaires distributed to all takaful operators, only 600 were returned within six months of data collection period. This yielded a raw response rate of 75%. However, due to incomplete answers (more than 10%), 87 of the questionnaires were dropped. Thus, the remaining 513 questionnaires (64%) were used for the final data analysis. Table 4.5 displays the response rate of the distributed questionnaires.

Table 4.5: Summary of the response rate

Description	Count (No.)	Percentage (%)
Distributed questionnaires	800	100
Not returned questionnaires	200	25
Returned questionnaires	600	75
Unusable questionnaires	87	10.9
Usable questionnaires	513	64.1

4.3.2 Demographic Profile of Respondents

The following section provides the demographic profile of the respondents. This includes personal information and job-related information such as gender, age, education level, experience, and position. The demographic profile of the respondents is presented in Table 4.6.

After cleaning the data and removing all the outliers, a total of 482 remained responses were used for the descriptive statistics analysis. Among the total 482 usable questionnaires, 250 (51.9%) respondents were males and 232 (48.1%) respondents were females. These findings show that respondents in this research are almost balanced between males and females.

In terms of the respondents' age, most of the respondents were from the middle group age between 26 to 35 years with a total 234 (48.5%) response. The second largest group of this survey was between 36 to 45 years with a total 121 (25.1%) response. These findings confirm that the majority of responses (> 73%) were influenced by these two age groups (i.e., 26-35 and 36-45). The remaining respondents were from the age group 18 to 25 years with a total of 88 (18.3) response, followed by the age group of 46 to 55 years with a total 35 (7.3%), and 4 (.8%) response was from the oldest age group of 56 and above.

Furthermore, in terms of the level of education, almost half of the respondents 230 (47.7%) obtained a Bachelor's degree which indicates that the respondents of this research were highly educated. The remaining participants are Diploma holders 157 (32.6%), school certificate 71 (14.7), and Master's degree holders 24 (5%). As for the experience with organisations, the finding showed that the majority of the respondents 334 (69.3%) have been working with their current organisation from 1 to 5 years. 88 (18.3%) have been working with their current organisation from 6 to 10 years, and 60 (12.4%) have been with their organisation for more than 11 years. This indicates that the respondents in this survey have considerable working experience.

Further, the findings depicted that 90 (18.7%) of the total respondents were from Prudential BSN Takaful Bhd, 74 (15.4 %) from Etiqa Takaful Bhd, 60 (12.4%) from Takaful Ikhlas Bhd, 59 (12.2%) from Great Eastern Takaful Bhd, 49 (10.2%) from Syarikat Takaful Malaysia Bhd, and 10 (2.1%) from Sun Life Malaysia Takaful Bhd. It is also important to note that the majority of the respondents are full-time agents 429 (89%). The profiles of the respondents also revealed that 75 (15.6%) of the total respondents are administrative followed by ordinary agent, a junior agent,

and senior agent with a total of 135 (28%), 104 (21.6%), and 87 (18%) respectively. Table 4.6 shows that 25 (5.2%) of the respondents are unit managers, while 4 (.8%) are group agency managers.

From the above demographic profile, it is evident that the majority of the respondents in this research have had high levels of education and qualification, possess considerable working experience, and hold essential positions in their organisations. As such, they are eligible to participate in this survey without suspicion of response bias regarding selecting the propitiate sample. Although some of the demographic data presented here will not be considered in other parts of this study, they contributed to the richness of the demographic data and most importantly, they may help to justify and achieve the overall objective of this study.

Table 4.6: Demographic profile of the respondents

Demographic information		Frequency	Percentage (%)
Gender	Male	250	51.9
	Female	232	48.1
	Total	482	100
Age	18-25	88	18.3
	26-35	234	48.5
	36-45	121	25.1
	46-55	35	7.3
	56 and above	4	0.8
	Total	482	100
Education	School Certificate	71	14.7
	Diploma	157	32.6
	Bachelor	230	47.7
	Master & above	24	5.0
	Total	482	100
Experience with the organisation	1-5 years	334	69.3
	6-10 years	88	18.3
	11-15 years	30	6.2
	16-20 years	25	5.2
	21 and above	5	1.0
	Total	482	100

Position	Administrative	75	15.6
	Ordinary Agent	135	28
	Junior Agent	104	21.6
	Senior Agent	87	18.0
	Unit Manager	25	5.2
	Group Agency Manager	4	0.8
	Others	52	10.8
	Total	482	100
Name of organisation	Prudential BSN Takaful Bhd	90	18.7
	Syarikat Takaful Malaysia Bhd	49	10.2
	Hong Leong MSIG Takaful Bhd	19	3.9
	HSBC Amanah Takaful Bhd	15	3.1
	Takaful Ikhlas Bhd	60	12.4
	MAA Takaful Bhd	48	10.0
	Etiqa Takaful Bhd	74	15.4
	AmMetLife Takaful Bhd	42	8.7
	Great Eastern Takaful Bhd	59	12.2
	Sun Life Malaysia Takaful Bhd	10	2.1
	AIA PUBLIC Takaful Bhd	16	3.3
	Total	482	100
Employee status	Full-Time	429	89.0
	Part-Time	53	11.0
	Total	482	100

4.3.3 Descriptive Analysis: Attributes of the Questionnaires

This section illustrates the result of descriptive statistics for each variable, namely, mean, standard deviation, skewness, and kurtosis. A total of 482 usable responses were analysed to examine the perception of takaful employees/agents on all constructs which are transformational leadership, organisational commitment, organisational citizenship behaviour, Islamic spirituality, and job performance.

(a) *Transformational leadership*

The transformational leadership variable is used to measure followers' perceptions of the transformational leadership behaviour of their supervisors. Twenty statements were constituted to measure this variable using a 5-point Likert scale. Based on the

result presented in Table 4.7, positive perception on the variable of transformational leadership with an average mean of 4.04 (SD =.677). The four top items with the highest mean in the table were that “Talks enthusiastically about what needs to be accomplished” (M= 4.16), “specifies the importance of having a strong sense of purpose” (M=4.12), “helps me to develop my strengths” (M=4.10), and “suggests new ways of looking at how to complete assignments” (M=4.10). The lowest mean value for this variable is for “Instils pride in me for being associated with him/her” (M = 3.91). Overall, the result shows that most of the respondents have a positive perception of the influence of leaders on followers based on the mean scores which are around 4. Table 4.7 presents the descriptive statistics for each of the items on transformational leadership.

Table 4.7: Descriptive statistics: Transformational Leadership

No.	Label	Statements	Mean	Standard Deviation	Skewness	Kurtosis
1	TL1	Instils pride in me for being associated with him/her	3.91	.739	-.501	.627
2	TL2	Goes beyond self-interest for the good of the group	4.08	.709	-.328	-.308
3	TL3	Acts in ways that builds my respect	4.04	.642	-.414	.716
4	TL4	Displays a sense of power and confidence	4.00	.684	-.316	.073
5	TL5	Talks about their most important values and beliefs	3.93	.726	-.481	.492
6	TL6	Specifies the importance of having a strong sense of purpose	4.12	.657	-.266	-.199
7	TL7	Considers the moral and ethical consequences of decisions	4.03	.638	-.170	-.047
8	TL8	Emphasises the importance of having a collective sense of mission	4.09	.656	-.405	.438
9	TL9	Talks optimistically about the future	4.09	.712	-.437	.021
10	TL10	Talks enthusiastically about what needs to be accomplished	4.16	.665	-.489	.428
11	TL11	Articulates a compelling vision of the future	4.07	.699	-.433	.353
12	TL12	Expresses confidence that goals will be achieved	4.09	.649	-.269	.039
13	TL13	Re-examines critical assumptions to question whether they are appropriate	3.98	.663	-.359	.657
14	TL14	Seeks differing perspectives when solving problems	4.03	.636	-.314	.456
15	TL15	Gets me to look at problems from many	4.01	.649	-.608	1.848

		different angles				
16	TL16	Suggests new ways of looking at how to complete assignments	4.10	.634	-.179	-.164
17	TL17	Spends time teaching and coaching	4.03	.713	-.425	.115
18	TL18	Treats me as an individual rather than just as a member of a group	3.96	.723	-.673	1.358
19	TL19	Considers me as having different needs, abilities, and aspirations from others	3.98	.682	-.650	1.306
20	TL20	Helps me to develop my strengths	4.10	.676	-.401	.199
		Average Score	4.04	.677		
		Reliability (Cronbach's alpha =.943)				

Note: 1 = strongly disagree, 5 = strongly agree

(b) *Organisational commitment*

Organisational commitment measures the commitment of agents towards their organisations. Table 4.8 presents the descriptive statistics, namely, mean, standard deviation, skewness, and kurtosis for each statement on organisational commitment variable. Eighteen items were adopted from Meyer and Allen (1991) to measure the organisational commitment of takaful agents.

The data portrayed a positive perception of the agents on the organisational commitment with an average mean of 3.81 (SD =.802). The item with the highest mean was “I would be very happy to spend the rest of my career with this organisation” (M = 3.98), followed by “I feel like “part of the family” at the organisation” (M = 3.97). On the other hand, the lowest mean value for this construct is “I feel that if I leave, there would be too few options available to me” (M = 3.56). All the takaful agents tend to moderately agree that they are dedicated and committed to their companies based on the mean score which is approximately 4. Table 4.8 presents the descriptive statistics for each of the items on organisational commitment.

Table 4.8: Descriptive statistics: Organisational Commitment

No.	Label	Statements	Mean	Standard Deviation	Skewness	Kurtosis
1	OC1	I would be very happy to spend the rest of my career with this organisation	3.98	.749	-.205	-.597
2	OC2	I feel as if the organisation's problems are my own	3.74	.815	-.477	.317
3	OC3	I feel like "part of the family" at the organisation	3.97	.760	-.523	.621
4	OC4	I feel "emotionally attached" to the organisation	3.77	.778	-.397	.194
5	OC5	This organisation has a great deal of personal meaning for me	3.82	.768	-.421	.291
6	OC6	I feel a strong sense of "belonging" to my organisation	3.87	.760	-.402	.142
7	OC7	It would be hard for me to leave this organisation right now, even if I want to	3.79	.815	-.522	.515
8	OC8	If I decided to leave this organisation right now, it would be too disruptive to my life	3.67	.935	-.516	.001
9	OC9	Right now, staying with my organisation is a matter of necessity as much as desire	3.95	.712	-.411	.609
10	OC10	I feel that if I leave, there would be too few options available to me	3.56	.974	-.554	.101
11	OC11	If I had not already put so much of myself into this organisation, I might consider working elsewhere	3.73	.790	-.618	.896
12	OC12	The fact that leaving would require considerable personal sacrifice is one of the reasons I continue to work here	3.73	.880	-.756	.746
13	OC13	I feel that I have obligation to remain with this organisation	3.95	.757	-.433	.146
14	OC14	I do not feel that it would be right for me to leave my workplace now, even if it is to my advantage to do so	3.72	.825	-.660	.982
15	OC15	I would feel guilty If I leave my organisation now	3.74	.858	-.610	.591
16	OC16	I feel my loyalty to this organisation is deserved	3.82	.823	-.516	.567
17	OC17	I would not leave the organisation right now because I have sense of obligation to the people of it	3.93	.754	-.578	.837
18	OC18	I feel that I owe a great deal to this organisation	3.93	.695	-.051	-.556
Average Score			3.81	.802		
Reliability (Cronbach's alpha =.916)						

Note: 1 = strongly disagree, 5 = strongly agree

(c) *Organisational Citizenship Behaviour*

This construct was adopted from Podsakoff et al. (1990), and it relates to employee performance and organisation effectiveness of takaful agents. 19 statements were constituted to measure this variable using 5-point Likert scale. The result presented in Table 4.9 indicates that positive perception of the agents on OCB with mean = 3.76 (SD =.840). Items with the highest mean was “I believe in giving an honest day’s work for an honest day’s pay” (Mean = 4.10), followed by “I am always ready to lend a helping hand to those around me” (M = 4.09); “I willingly help others who have work-related problems” (Mean = 4.06). The mean values for the rest of statements were ranging from (Mean = 3.41 to 4.00). Overall, the agents slightly agreed with maintaining and developing a positive attitude, going above the call of duty, and helping co-workers as based on the mean scores (M = 3.76). Table 4.9 presents the descriptive statistics for each of the items on OCB.

Table 4.9: Descriptive statistics: Organisational Citizenship Behaviour

No.	Label	Statements	Mean	Standard Deviation	Skewness	Kurtosis
1	OCB1	I help others who have heavy workloads	3.91	.654	-.665	1.792
2	OCB2	I am the classic “squeaky wheel” that always needs greasing ***	3.41	.995	-.235	-.490
3	OCB3	I believe in giving an honest day’s work for an honest day’s pay	4.10	.803	-.915	1.618
4	OCB4	I consume a lot of time complaining about trivial matters ***	3.69	1.070	-.591	-.284
5	OCB5	I keep abreast of changes in the organisation	4.00	.699	-.657	1.586
6	OCB6	I tend to make “mountains out of molehills” (make problems bigger than they are) ***	3.90	1.085	-.778	-.163
7	OCB7	I attend meetings that are not mandatory, but are considered important	3.52	.892	-.607	.426
8	OCB8	I am always ready to lend a helping hand to those around me	4.09	.628	-.672	2.132
9	OCB9	I attend functions that are not required, but help the company image	3.64	.804	-.435	.251
10	OCB10	I read and keep up with organisation	3.92	.637	-.418	1.060

		announcements, memos, and so on				
11	OCB11	I help others who have been absent	3.49	.955	-.801	.481
12	OCB12	I willingly help others who have work-related problems	4.06	.659	-.506	.813
13	OCB13	I always focus on what's wrong, rather than the positive side ***	3.28	1.083	.008	-.764
14	OCB14	My attendance at work is above the norm	3.68	.736	-.427	.737
15	OCB15	I always find fault with what the organisation is doing ***	3.70	1.078	-.558	-.310
16	OCB16	I do not take extra-breaks	3.52	.870	-.501	.432
17	OCB17	I obey company rules and regulations even when no one is watching	3.97	.868	-.464	.747
18	OCB18	I help orient new people even though it is not required	3.89	.703	-.427	.751
19	OCB19	I am one of this organisation's most conscientious employees	3.72	.750	-.296	.204
		Average Score	3.76	.840		
		Reliability (Cronbach's alpha =.812)				

Note: 1 = strongly disagree, 5 = strongly agree

*** Reverse-coded.

(d) *Islamic spirituality*

Islamic spirituality comprises belief, performing religion rituals at the workplace, and daily-living behaviour that is in line with Islamic rules and principles. This variable was measured by 18 statements based on a 5-point Likert scale.

The descriptive statistics for the variable of Islamic spirituality showed that there is a positive perception of the agents towards the practice of spirituality in the workplace with an average of (Mean =4.1) (SD =.764). Table 4.10 below shows that the majority of agents agreed with the statement "I do my best to perform all five prayers regardless of how busy I am during working hours" (M=4.50, SD =.683). The result also revealed that agents agreed with the statement "Generally, for anything that happens to me in my life (good or bad), I believe it is a test from *Allāh* to examine me in my faith (*Ibtīl ā`*)" (M=4.49, SD =.649). This is followed by "I direct my dedication to *Allāh* alone" (M =4.45, SD =.643). The lowest mean value of the practice of Islamic spirituality in the workplace is for the item "I practice optional

fasting (I try to convince my co-workers to do optional fasting the way I do) (mean = 3.25, SD =.957). Overall, the result demonstrates that most of the respondents have a positive perception of the practice of Islamic spirituality in the workplace based on the mean scores which are around 4.1. Table 4.10 presents the descriptive statistics for each of the items on Islamic spirituality.

Table 4.10: Descriptive Statistics: Islamic Spirituality

No.	Label	Statements	Mean	Standard Deviation	Skewness	Kurtosis
1	IS1	Whenever possible, I encourage my co-workers to visit the prayer room for prayers	3.79	.881	-.261	-.341
2	IS2	I inspire my co-workers to fast and breakfast collectively	3.65	.874	-.161	-.222
3	IS3	I practice optional fasting (I try to convince my co-workers to do optional fasting the way I do)	3.25	.957	-.077	-.101
4	IS4	I encourage my co-workers to pray together at work	3.58	.945	-.330	-.109
5	IS5	When I am confronted with competing alternatives in decision-making in my work place, I perform <i>istikhara</i> prayer	3.46	.969	-.166	-.434
6	IS6	Whenever I pay my <i>zakāh</i> , I make sure I calculate it correctly	3.84	.920	-.725	.526
7	IS7	I ask Allah to help me when I make important decisions at my work	4.33	.708	-.756	-.010
8	IS8	I supplicate Allah whenever I face difficulty in my work	4.39	.662	-.677	-.405
9	IS9	Whenever I make a mistake at my work place I ask Allah's forgiveness	4.21	.812	-.854	.327
10	IS10	I do my best to perform all five prayers regardless of how busy I am during working hours	4.50	.683	-1.272	1.440
11	IS11	I do my duties in the best way I could and leave the outcomes to be determined by Allah	4.34	.674	-.654	-.132
12	IS12	I do my best in my work because Allah is watching me (<i>Ihsan</i>)	4.39	.632	-.531	-.637
13	IS13	I ask forgiveness from my co-workers whenever I wronged them	4.17	.712	-.329	-.746
14	IS14	I deal with co-workers with justice and generosity	4.24	.707	-.809	1.452
15	IS15	I direct my dedication to Allah alone	4.45	.643	-.786	-.205
16	IS16	I stay away from haram acts in my work to avoid Allah's divine wrath	4.42	.659	-.784	-.083
17	IS17	I apologise for my mistakes when I	4.30	.681	-.579	-.253

		realise them at work				
18	IS18	Generally, for anything that happens to me in my life (good or bad), I believe it is a test from Allah to examine me in my faith (<i>ibtilaa</i>)	4.49	.649	-.917	-.262
Average Score			4.1	.764		
Reliability (Cronbach's alpha =.895)						
Note: 1 = Never, 5 = Always						

(e) *Employee Performance*

The final construct for this research is employee performance which is developed by the researcher and consists of items from Osman-Gani et al. (2013) and Chiang & Hsieh (2012). This variable was measured by 14 items and based on a 5-point Likert scale. Table 4.11 reveals that the agents of takaful operators had a positive perception of job performance, outcomes, productivity, and the accuracy of the work of their colleagues. The average mean value for this variable is (M = 3.92, SD =.672). The item with the highest score was “Working for the overall good of the organisation (M = 3.99), followed by “Fulfilling specific job responsibilities” (M=3.98); “Acquiring and possessing relevant knowledge and skills” (M= 3.97), and “Finding improved ways to do things” (M= 3.97). In contrast, the lowest mean value for this variable is for “Working independently with little supervision” (M = 3.81). Table 4.11 demonstrates the descriptive statistics for each of the items on job performance.

Table 4.11: Descriptive statistics: Job performance

No.	Label	Statements	Mean	Standard Deviation	Skewness	Kurtosis
1	JP1	Quality of work output	3.89	.674	-.360	.350
2	JP2	Quantity of work output	3.87	.663	-.285	.237
3	JP3	Developing skills needed for his/her future career	3.94	.669	-.516	1.044
4	JP4	Acquiring and possessing relevant knowledge and skills	3.97	.662	-.312	.282
5	JP5	Seeking information from others in his/her work group	3.95	.627	-.323	.590
6	JP6	Finding improved ways to do things	3.97	.660	-.274	.180
7	JP7	Coming up with new ideas	3.92	.693	-.341	.408

8	JP8	Working independently with little supervision	3.81	.796	-.690	1.058
9	JP9	Accuracy of work	3.87	.711	-.369	.366
10	JP10	Obtaining new information and knowledge	3.95	.665	-.289	.201
11	JP11	Working for the overall good of the organisation	3.99	.623	-.151	.081
12	JP12	Meet performance standards and expectation	3.89	.652	-.287	.299
13	JP13	Fulfilling specific job responsibilities	3.98	.620	-.196	.269
14	JP14	effective in his or his/her job	3.95	.693	-.316	.084
Average Score			3.92	.672		
Reliability (Cronbach's alpha =.937)						

Note: 1 = Need much improvement, 5 = Excellent

4.4 EXPLORATORY FACTOR ANALYSIS (EFA)

After data screening, preparation, and descriptive statistics were performed, the next step in this study is exploratory factor analysis (EFA). According to Hair et al. (2010), EFA is considered an important stage of analysis as it reduces the number of variables and group them together based on the strong correlations. Byrne (2010) stated that EFA is used to detect the misfit variables which may have an effect on confirmatory factor analysis (CFA).

In this study, EFA was used to answer the first research objective which is to find the underlying dimensions of employee/job performance from the perspective of takaful agents. After that, an overall EFA was performed for the other four constructs which have been adopted from prior studies, namely, transformational leadership, Islamic spirituality, organisational commitment, and organisational citizenship behaviour. This was used to ensure that there are stability, consistency, accuracy, and the distinction between items of each construct (Sekaran and Bougie, 2010). The following section discusses the details of EFA for all the constructs.

4.4.1 Exploratory Factor Analysis for the Variable of Employee Performance

482 usable questionnaires were used to conduct EFA analysis. Principle component analysis (PCA) was used as the extraction method for the underlying dimensions of employee performance. The result revealed that the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was .934 indicating the suitability for using PCA method. The Bartlett's Test of Sphericity was also statistically significant (.000) demonstrating that the factorability of the correlation matrix was achieved ($r \geq .30$) (Pallant, 2007). Therefore, the result of KMO and Bartlett's Test of Sphericity indicated the appropriateness of factor analysis. Table 4.12 presented the result of KMO and Bartlett's Test.

Table 4.12: KMO and Bartlett's Test

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy		.934
Bartlett's Test of Sphericity	Approx. Chi-Square	4627.383
	Df	91
	Sig.	.000

Exploratory Factor Analysis with Principal Component Analysis (PCA) and varimax rotation was performed. The result revealed that three factors were extracted with eigenvalues greater than 1 and factor loadings of .50 and higher as recommended by Hair et al. (2010). However, the item JP8 "Working independently with little supervision" was blank owing to the cut-off variable loading threshold of .50. Besides, the communalities and component matrix values were found to be above the recommended value of 0.5 (Hair et al., 2010). All the three factors were accounted for 70.948% of the total variance (Table 4.13). Following the criteria of Hair et al. (2010) and Kline (2011), all the three factors were named as willingness to learn (F1), capacity to work (F2), and task performance (F3). Among the three

factors, F1 accounted for the highest eigenvalue with 7.795 and 55.677% of the variance explained in total. This is followed by F2 with 9.121% of explained variance and eigenvalue of 1.277. The third factor F3 accounted for 6.150% of the variance explained and eigenvalue of 1.109. Table 4.13 presents the factor loading for the construct of employee/job performance.

Table 4.13: Factor loadings (EFA) for the construct of job performance

	Label	Statements on Job Performance	Factor		
			F1	F2	F3
1	JP1	Quality of work output	.798		
2	JP2	Quantity of work output	.783		
3	JP3	Developing skills needed for his/her future career	.774		
4	JP4	Acquiring and possessing relevant knowledge and skills	.714		
5	JP5	Seeking information from others in his/her work group	.573		
6	JP6	Finding improved ways to do things		.755	
7	JP7	Coming up with new ideas		.749	
8	JP8	Working independently with little supervision		-	
9	JP9	Accuracy of work		.612	
10	JP10	Obtaining new information and knowledge		.693	
11	JP11	Working for the overall good of the organisation		.582	
12	JP12	Meet performance standards and expectation			.714
13	JP13	Fulfilling specific job responsibilities			.688
14	JP14	effective in his or his/her job			.667
Eigen value			7.795	1.277	1.109
% of variance			55.677	9.121	6.150
Total variance explained					70.948
Reliability (Cronbach α)			.884	.885	.895

N = 482

Following this, the internal consistency of all factors was obtained using Cronbach's alpha coefficient. The result (Table 4.13) shows that all the values of Cronbach's alpha in this study ranged from .884 to .895 and exceeded the recommended threshold value of 0.70 as suggested by Hair et al. (2010) and Pallant (2007). This result indicates that all the factors have good subscale reliability and internal consistency of the items.

4.4.2 Dimensionality of the Measurement Instruments Using EFA

EFA was performed for the remaining four constructs which have been adopted from prior studies in order to examine item loadings and ensure consistency, accuracy, between items of each construct which are TL, IS, OC, and OCB. Table 4.14 presents the factor loadings of these constructs.

Table 4.14: Factor loadings for all items

Factor	Items	F1	F2	F3	F4
TRANSFORMATIONAL LEADERSHIP	TL1	.648			
	TL2	.651			
	TL3	.714			
	TL4	.693			
	TL5	.682			
	TL6	.613			
	TL7	.612			
	TL8	.586			
	TL9	.771			
	TL10	.795			
	TL11	.754			
	TL12	.630			
	TL13	-			
	TL14	.530			
	TL15	.621			
	TL16	.710			
	TL17	.753			
	TL18	.739			
	TL19	.693			
	TL20	.679			
ISLAMIC SPIRITUALITY	IS1		.757		
	IS2		.740		
	IS3		.780		
	IS4		.749		
	IS5		.721		
	IS6		.552		
	IS7		.826		
	IS8		.853		
	IS9		.641		
	IS10		.690		
	IS11		.700		
	IS12		.690		
	IS13		.745		
	IS14		.826		
	IS15		.747		
	IS16		.764		
	IS17		.801		
	IS18		.776		
ORGANISATIONAL COMMITMENT	OC1			.673	
	OC2			.686	
	OC3			.763	
	OC4			.747	
	OC5			.789	

ORGANISATIONAL CITIZENSHIP BEHAVIOUR	OC6	.738			
	OC7	.631			
	OC8	.590			
	OC9	.652			
	OC10	.822			
	OC11	.764			
	OC12	.750			
	OC13	.681			
	OC14	.618			
	OC15	.610			
	OC16	.782			
	OC17	.801			
	OC18	.702			
	OCB1		.561		
	OCB2		.757		
	OCB3		.758		
	OCB4		.844		
	OCB5		.599		
	OCB6		.817		
OCB7		.814			
OCB8		.843			
OCB9		.752			
OCB10		-			
OCB11		.546			
OCB12		.743			
OCB13		.619			
OCB14		.631			
OCB15		.774			
OCB16		.712			
OCB17		.735			
OCB18		.611			
OCB19		.767			
Eigen value		19.020	9.075	7.529	6.187
% of variance		29.263	13.962	11.583	9.518
Total variance explained		64.326			
N = 482					

Table 4.14 shows that 482 usable questionnaires were used to conduct EFA for all constructs. Using Principle Component Analysis (PCA) as the extraction method with varimax rotation, the results revealed that four factors emerged with different items, such as 19 items out of 73 measures variable were loaded on transformational leadership, 18 items out of 73 were loaded significantly on Islamic spirituality, 18 items were loaded on organisational commitment and 18 items were loaded significantly on OCB. Items with factor loadings of 0.50 or higher were clustered together to form one construct, however, there were two items (TL13 and

OCB10) with blank loading owing to the fact that loading of 0.50 and below were suppressed during factor extraction. This study reported also that all the four-factor loadings have an eigenvalue greater than one as suggested by Hair et al. (2010).

Moreover, the result of factor analysis in the present study revealed that a substantial number of items were correlated and exceed the cut-off point of ($r \geq .30$). Also, the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was .912 indicating the appropriateness of using PCA for the analysis. In the same way, the Bartlett's Test of Sphericity was also statistically significant at (.000), demonstrating that the correlation matrix was not an identity matrix (Hair et al., 2010). Table 4.15 presents the result of KMO and Bartlett's Test.

Table 4.15: KMO and Bartlett's Test

Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy	.912
Bartlett's Test of Sphericity Approx. Chi-Square	17380.787
Df	2080
Sig.	.000

This study also reported that all the four factors accounted for 64.326% of the total variance. Among the four factors, transformational leadership accounted for the highest eigenvalue with 19.020 and 29.263% of the variance explained in total. This was followed by Islamic spirituality with eigenvalue 9.075 and 13.962% of explained variance. Organisational commitment represents 11.583% of the total variance explained and eigenvalue with 7.529. The fourth factor, OCB, came up with eigenvalue of 6.187 and 9.518% of the total explained variance

Following this, a reliability test was also conducted using Cronbach's alpha coefficient to confirm the internal consistency of all factors in this study. Hair et al.

(2010) noted that Cronbach's alpha with the value above .70 is recommended to achieve an acceptable level of reliability. However, a Cronbach's alpha of .60 and above is also considered acceptable (Bowling, 2009). Table 4.16 below illustrated the result of Cronbach's alpha in this study. All the values Cronbach's alpha exceed the cut-off point value recommended above and ranged from .762 to .940. The variable with highest Cronbach's alpha value is transformational leadership ($\alpha = .940$), followed by organisational commitment ($\alpha = .905$), Islamic spirituality ($\alpha = .895$), and OCB ($\alpha = .762$). This result confirms that all factors have good subscale reliability and internal consistency of the items.

Table 4.16: Reliability coefficient for the constructs

Constructs	Number of items	Cronbach's alpha
Transformational leadership	19	.940
Organisational commitment	18	.905
Islamic spirituality	18	.895
Organisational Citizenship Behaviour	18	.762

4.5 VALIDATING THE MEASUREMENT MODEL OF LATENT CONSTRUCTS USING CFA

This section deliberates on the analysis of the measurement and structural model using confirmatory factor analysis (CFA). According to Hair et al. (2010), CFA is similar to EFA in some respect but philosophically, it is quite different. To elaborate, EFA is used to determine the number of factors and loading whereas CFA statistics tell us how well the model specification of the factors match the actual data. In other words, CFA is a tool that enables researchers to either confirm or reject the predetermined theory (Hair et al., 2010). Hair et al. (2010) and Byrne (2010) stated

that specifying and fitting the measurement model will ease the fitting of the structural model. In other words, it is better when using SEM to adopt two phases modelling. The first phase modelling is related to the measurement model that should be specified and fitted first before going to the second phase which is the full-fledged structural model. In the present study, CFA was conducted separately for each construct to ensure the goodness-of-fit of the measurement instrument in this study. After that, CFA procedure was conducted simultaneously for all constructs to assess the overall fit of the measurement and structural model, and to test the reliability, convergent validity and discriminant validity. Hair et al. (2010) suggested that it is better to test discriminant validity and item cross-loading of a measurement model with the full set of items collectively. The next section discusses the measurement model of each construct in this study.

4.5.1 Measurement Model 1: Transformational Leadership

The confirmatory factor analysis (CFA) for transformational leadership model was estimated using the 19 items which were extracted and retained from EFA. The initial result revealed that acceptable fit of the measurement model except for NFI which was below the cut-off value of $>.90$. The result of the default measurement model was: $\chi^2/df = 3.678$ ($\chi^2 = 537.038$, $df = 146$), CFI = .924, TLI = .911, NFI = .899, RMSEA = .075 (see the Appendix F). As this study sought to a better fit model. Then, the model was revised to attain the acceptable modification indices. Therefore, modification indices were checked and the covariance of measurement error between (TL2 and TL3) was deemed necessary to meet the goodness-of-fit- of the model. Therefore, the result showed a statistical fit measurement model with $\chi^2/df = 3.257$ ($\chi^2 = 472.328$, $df = 145$), CFI = .937, TLI = .925, NFI = .911, RMSEA = .069. Besides, the result of CFA indicates that standardised loadings estimate were high and

exceeded the threshold values of $>.50$, ranging from .59 to .82. Figure 4.1 presented the result of a measurement model for TL.

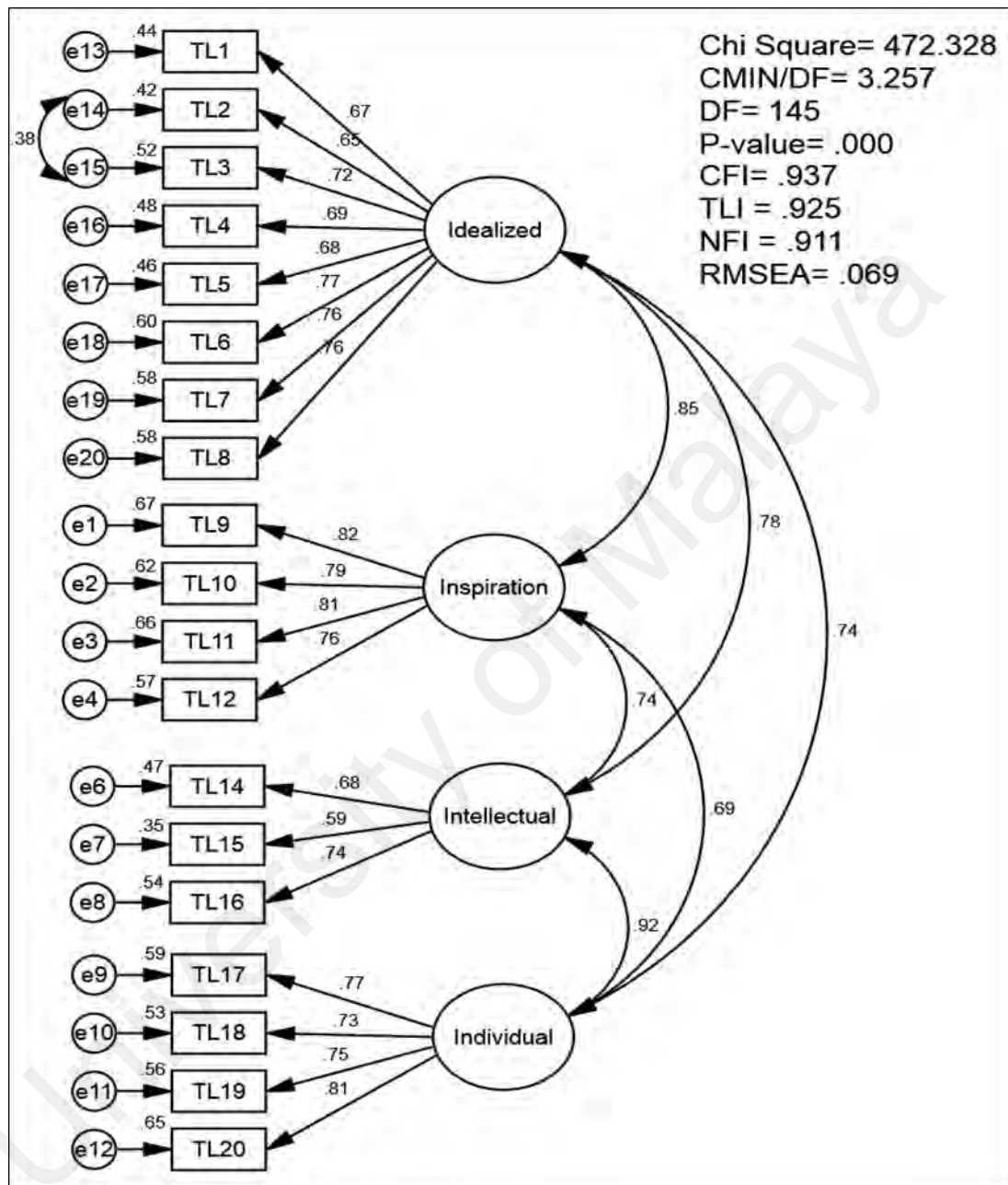


Figure 4.1: Confirmatory Factor Analysis for TL

4.5.2 Measurement Model 2: Islamic Spirituality

For the latent construct of Islamic spirituality, all the (18) indicators were retained as the factor loading for all the items extracted by EFA were above .50. The initial

result of the default measurement model shows inadequate fit model indices: $\chi^2/df = 5.370$ ($\chi^2 = 692.743$, $df = 129$), CFI =.881, TLI =.859, NFI =.858, RMSEA =.095 (see the Appendix G). All the incremental fit indices (CFI, TLI, and NFI) were below the acceptable value of .90. The RMSEA value was also greater than expected (RMSEA =.095 >.08). Therefore, the model was revised to get a better fit model. Using modification indices, three (3) items were found to have low loading and were dropped from the model. These items include item 6 and item 10 on the belief latent variable, and item 12 on the latent forgiveness variable.

After that, the fit indices of the revised model showed a good fit: $\chi^2/df = 3.581$ ($\chi^2 = 300.803$, $df = 84$), CFI =.945, TLI =.931, NFI =.925, RMSEA =.073 (see Figure 4.2). Also, the result revealed that the parameters were free from offending estimates and the standardised loadings estimate were ranged from .62 to .90. The four constructs were also separated as the value of squared multiple correlations were less .85. For instance, ritual – belief =.23, belief – forgiveness =.63, and remembrance and forgiveness=.51. This result indicates that the model is statistically significant as all the fit indices and validity (convergent and discriminant validity) requirements were achieved.

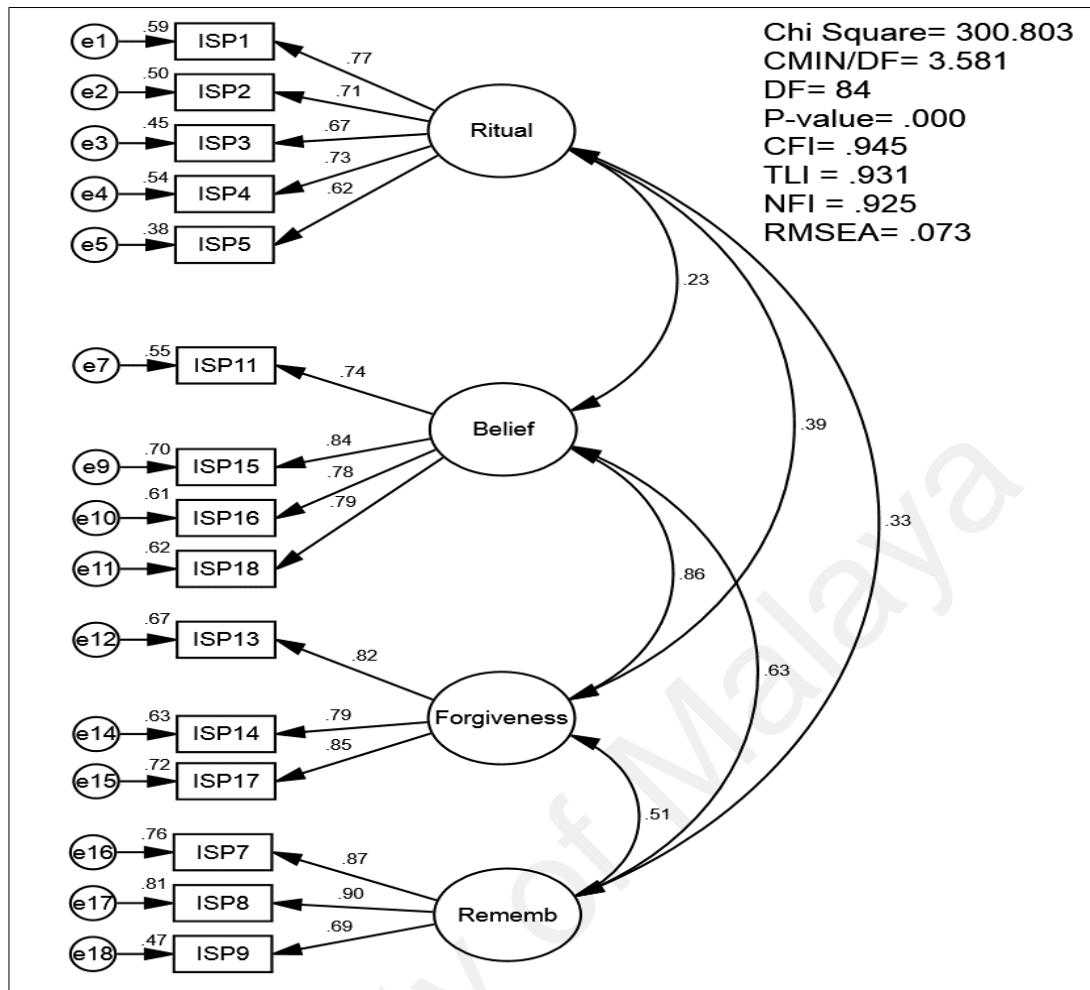


Figure 4.2: Confirmatory Factor Analysis for IS

4.5.3 Measurement Model 3: Organisation Commitment

Confirmatory factor analysis for organisational commitment was estimated using all items retained by EFA. The result of CFA displayed that the fit indices of this measurement model were statistically inadequate as some the incremental fit indices (TLI =.899, and NFI.884) were below the acceptable value of .90 (see the Appendix H). Although, the result revealed that CFA=.913 and RMSEA =.073 were acceptable and satisfied the cut-off value (CFA >.90 and RMSEA fall within the acceptable range of .05 and .08). However, the study sought to achieve a better fit model and, as a result, the model was revised, and items with lower loadings were excluded from the model. Two (2) items were found to have low loading and were

dropped from the model. These items include; item OC11 and OC12 on the continuance commitment latent variable. In addition, using modification indices, two items (OC1 and OC2) were dropped from the measurement model because of their higher correlation.

Then, the revised measurement model showed a good fit: $\chi^2/df = 3.581$ ($\chi^2 = 230.869$, $df = 74$), CFI = .951, TLI = .940, NFI = .930, RMSEA = .066 (see Figure 4.3). The result indicates that the model is statistically significant and the parameters estimates were all free from any offending estimates. The standardised loadings estimate were ranged from .62 to .81. In addition, the results of CFA showed that the three constructs were totally separated as the value of squared multiple correlations were less .85. This demonstrated that the discriminant validity of the measurement model was achieved.

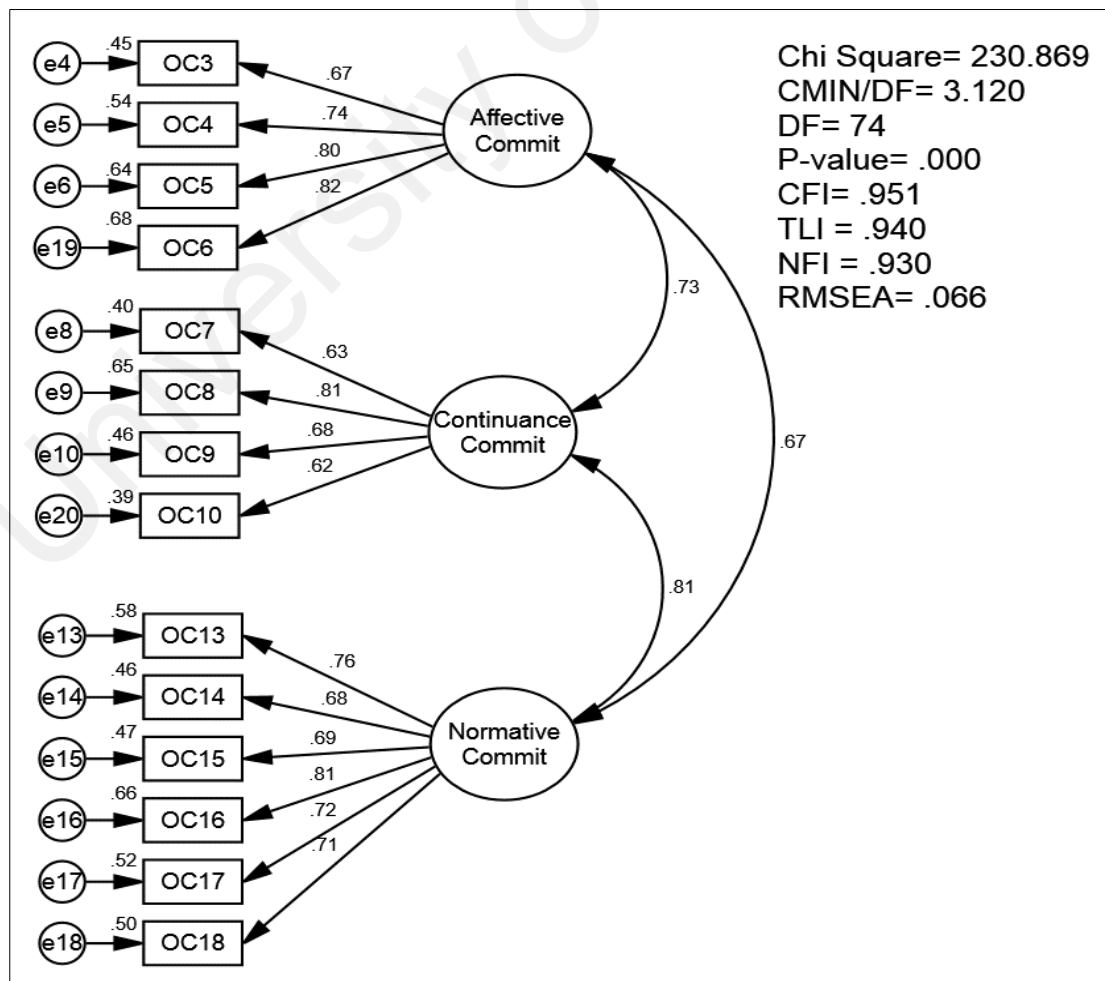


Figure 4.3: Confirmatory Factor Analysis for OC

4.5.4 Measurement Model 4: Organisation Citizenship Behaviour

An initial CFA was conducted for the construct of OCB through the remaining retained (18) items extracted by EFA. The default measurement model showed a poor fit of the measurement model. The result of CFA revealed that all the incremental fit indices (CFI, TLI, and NFI) were below the acceptable value of .90. For instance, CFI =.871, TLI =.847, NFI =.825 (see the Appendix I). Although all the incremental fit indices were not significant, RMSEA value was acceptable (RMSEA =.067). Moreover, the result revealed that six (6) items were found to have low loading and low multiple squared correlations (R^2) and were excluded from the measurement model. These items include item OCB1 and OCB11 from the latent altruism variable, item OCB3 and OCB14 from the conscientiousness latent variable, item OCB13 from the sportsmanship latent variable, and OCB5 from a civic virtue latent variable.

By removing all these items, the goodness-of-fit of the measurement model were improved: $\chi^2/df = 2.849$ ($\chi^2 = 136.757$, $df = 48$), CFI =.946, TLI =.926, NFI =.920, RMSEA =.062 (see Figure 4.4). Also, the results of CFA showed that the discriminant validity of this measurement model was achieved as the value of squared multiple correlations were less than .85 (Zainudin, 2014).

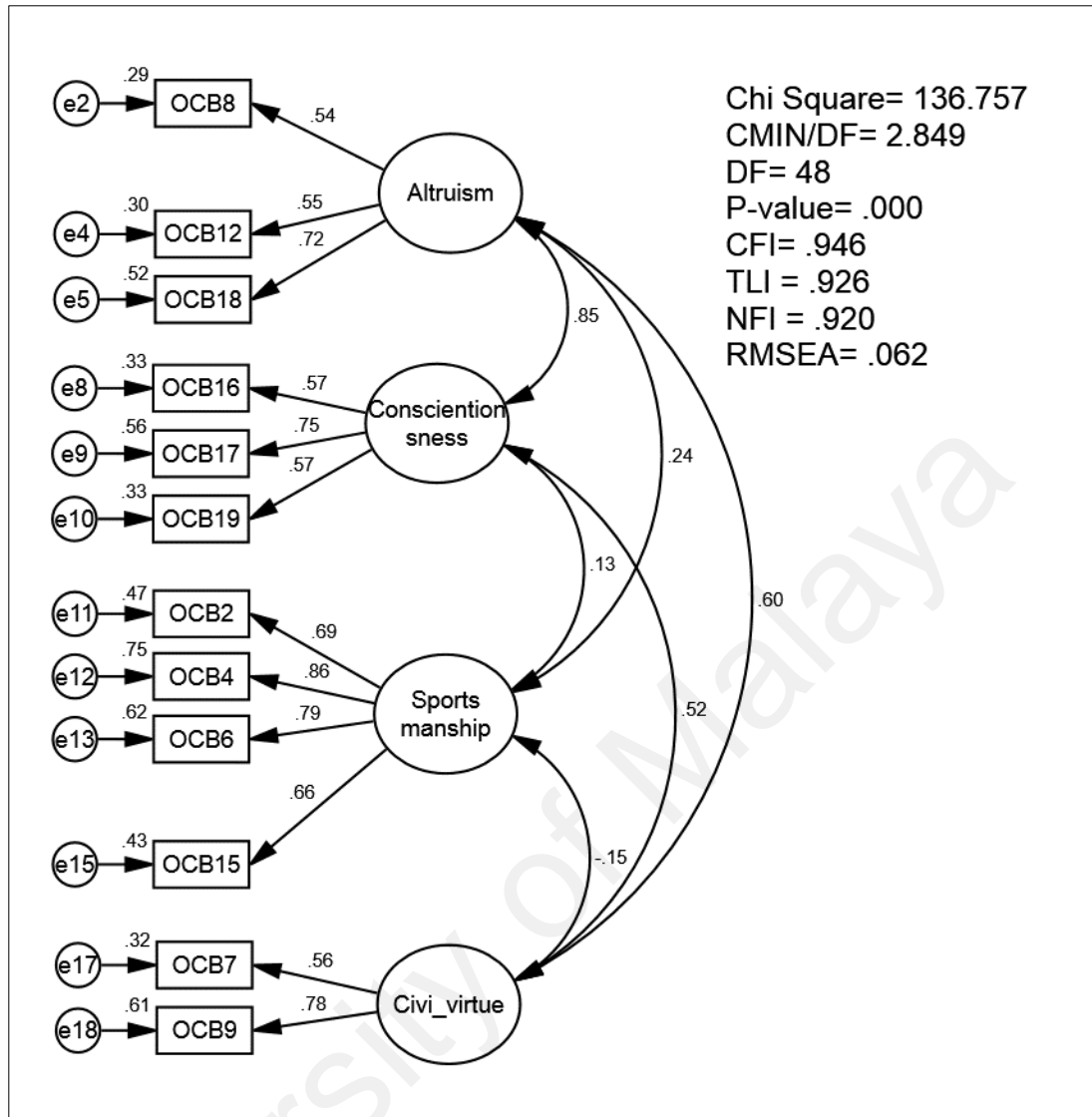


Figure 4.4: Confirmatory Factor Analysis for OCB

4.5.5 Measurement Model 5: Employee/Job Performance

The last latent construct is job performance (JP) with (13) indicators which were extracted and retained from EFA. CFA with all the retained items was performed to measure job performance. The result of default measurement model was not at acceptable level with: $\chi^2/df = 5.518$ ($\chi^2 = 342.091$, $df = 62$), CFI = .936, TLI = .920, NFI = .923, RMSEA = .097 (see the Appendix J). All the incremental fit indices (CFI, TLI, and NFI) were perfect at the value of ($>.90$). However, the relative chi-square (χ^2/df) and RMSEA values were above the cut-scores of ($\chi^2/df = 3.00$ to 5.00) and

(RMSEA= <.08). As such, the model was revised using modification indices and the result showed that the covariance of measurement error between (JP1 and JP2) was considered essential to meet the goodness-of-fit- of the measurement model. Then, the result exposed a statistical fit measurement model with $\chi^2/df = 3.083$ ($\chi^2 = 188.085$, $df = 61$), CFI = .971, TLI = .963, NFI = .958, RMSEA = .066. Also, the result of CFA indicates that standardised loadings estimate were high and exceeded the threshold values of >.50, ranging from .67 to .89. Figure 4.5 presents the result of the measurement model for JP.

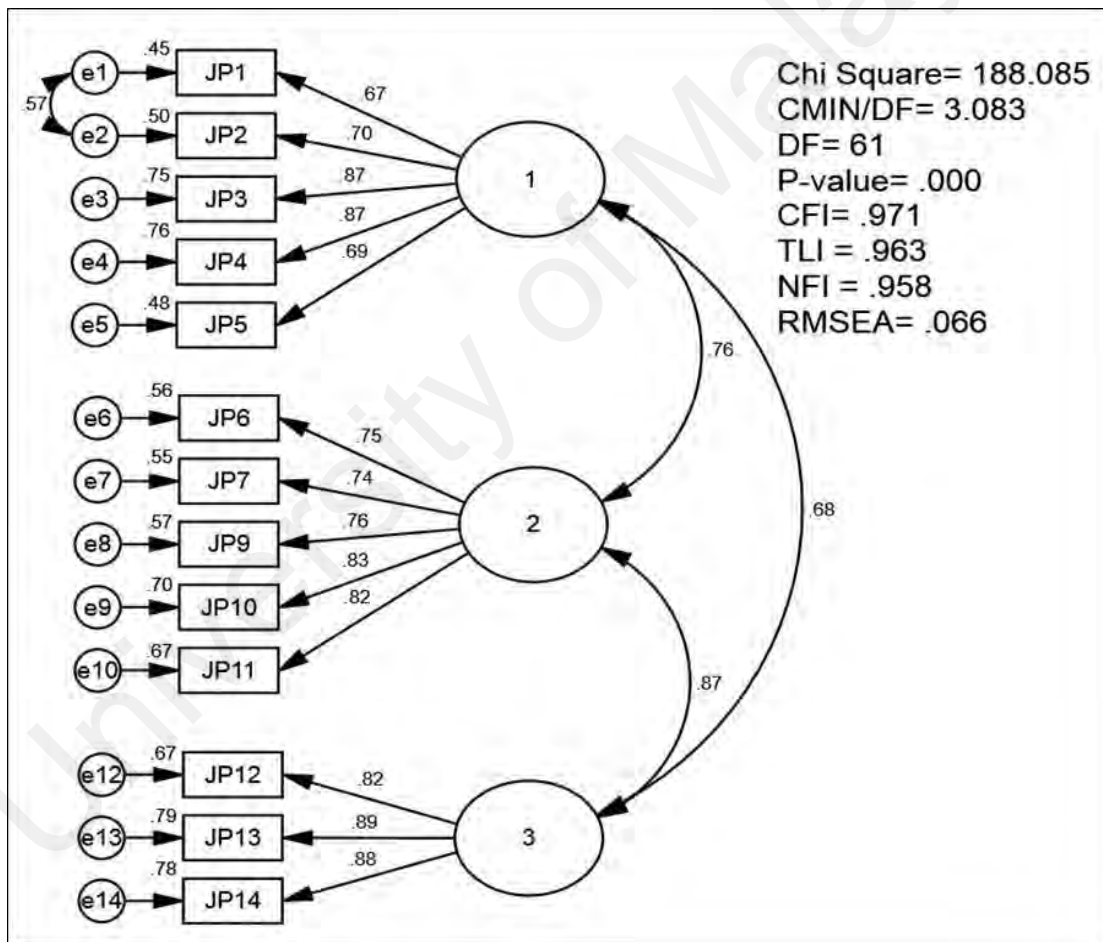


Figure 4.5: Confirmatory Factor Analysis for JP

4.6 VALIDATING THE OVERALL MEASUREMENT MODEL USING CONFIRMATORY FACTOR ANALYSIS (CFA)

At this stage, CFA procedure was conducted simultaneously for all constructs. In other words, the constructs examined in the previous section were combined into one model to assess the overall fit and test the reliability, convergent validity and discriminant validity. Hair et al. (2010) mentioned that it is recommended to test construct validity and item cross-loading of a measurement model with the full set of items collectively. The overall measurement model for all constructs is depicted in Figure 4.6.

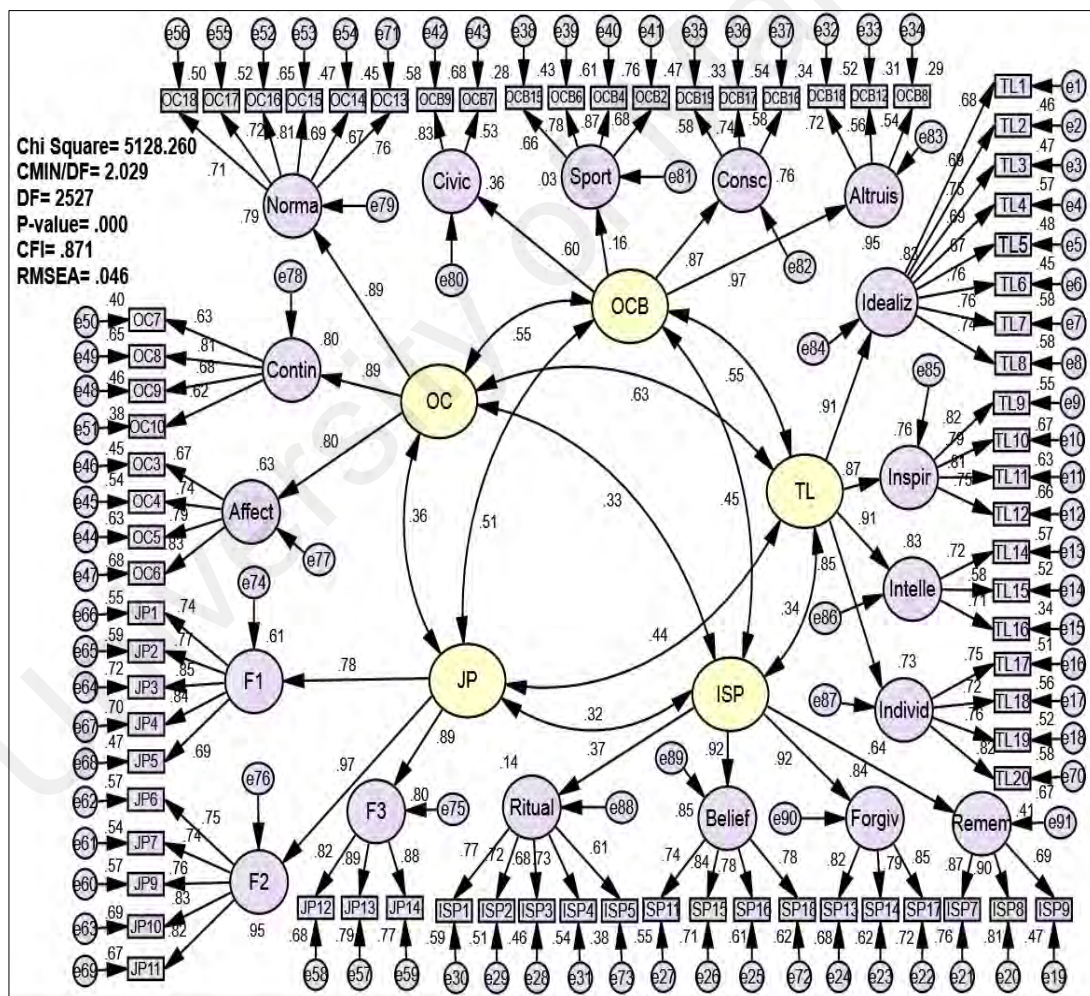


Figure 4.6: CFA for the overall model

*TL =Transformational Leadership, IS = Islamic Spirituality, OC = Organisational Commitment, OCB = Organisational Citizenship Behaviour, JP = Job Performance

4.6.1 Assessing the Fitness of the Measurement Model

After CFA with each variable was conducted in the previous sections (Figures 4.1, 4.2, 4.3, 4.4, and 4.5), a confirmatory factor analysis for all constructs was also measured in the present study. The result of the initial measurement model presented in Figure (4.6) showed that the model did not adequately fit the data $\chi^2/df = 2.029$ ($\chi^2 = 5128.260$, $df = 2527$), CFI = .871, RMSEA = .046. Therefore, the measurement model was revised according to cross-loading and modification indices. Zainudin (2014) mentioned that any item is having a factor loading less than .60 and multiple squared correlations (R^2) less than .40 should be removed from the measurement model. However, the researcher may not do so if the fitness indexes for the measurement model has already achieved the desired goodness-of-fit. As such, a careful examination of items with lower loading and (R^2) was carried out. The result revealed that 4 items were found to have low loading and low (R^2) and were dropped from the measurement model one at a time. These items include; OCB8, OCB19, OC10 and ISP5. Moreover, modification indices were also checked and the covariance of measurement error between JP1 and JP2 were deemed necessary to meet the goodness-of-fit of the model.

After that, the fit indices of the revised model showed an adequate fit: $\chi^2/df = 1.866$ ($\chi^2 = 4065.643$, $df = 2179$), CFI = .900, RMSEA = .042 (see Figure 4.7). Moreover, the factor loading for all items was above .60. Nevertheless, OCB7, OCB16 and OCB12 were having low factor loading and low multiple squared correlation (OCB7 = .54, .29; OCB16 = .56, .32; OCB12 = .52, .27). However, the researcher follows the suggestions of Zainudin (2014) which suggested that if the fitness indexes for the measurement model has already achieved the desired goodness-of-fit, then, there is no need to remove any other items with lower factor

loading and (R^2). Besides, the model had achieved all the requirements of reliability and validity for all constructs with adequate values for internal reliability, convergent validity and discriminate validity. Hence, it was decided not to remove any more items from the measurement model to retain a minimum of two items for each sub-dimension as suggested by Kline (2011). Figure 4.7 presents the modification of the final measurement model.

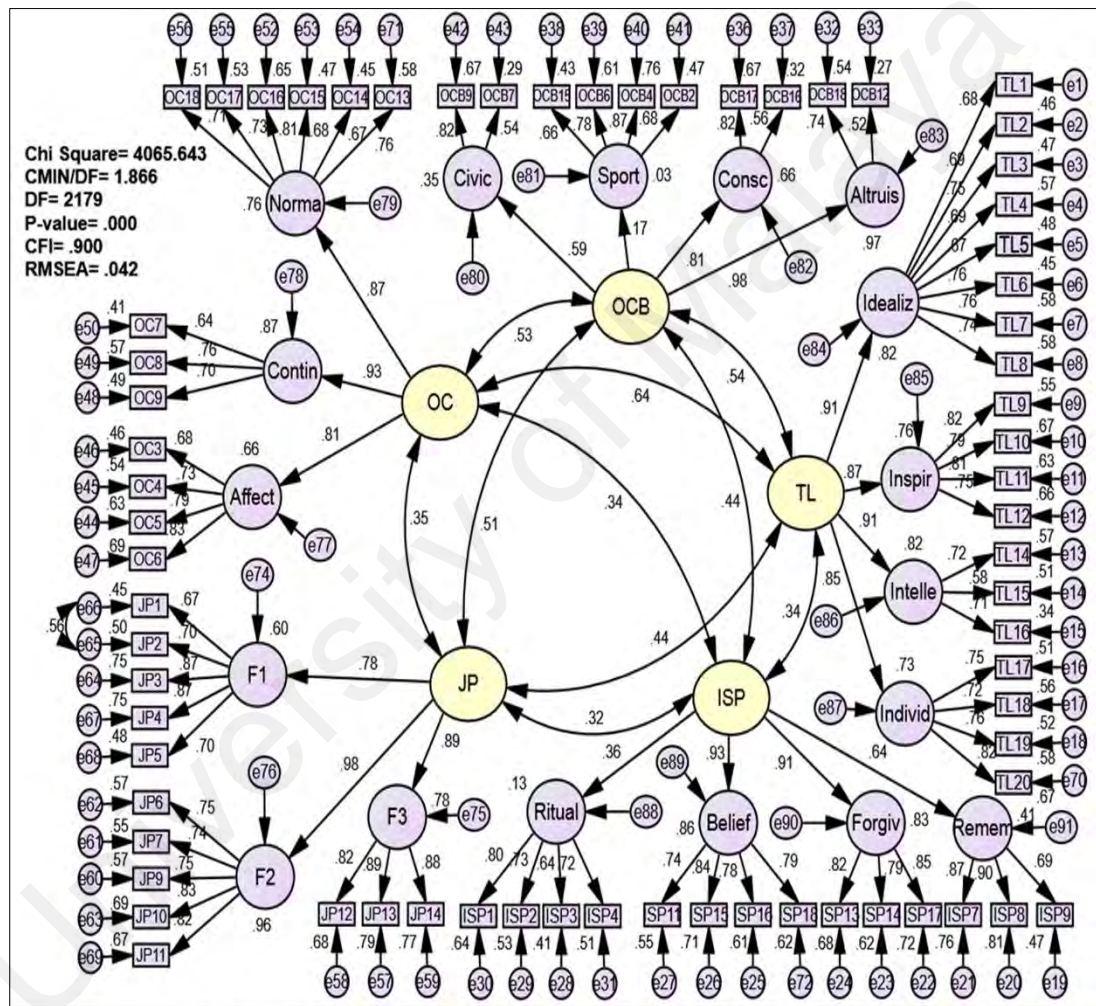


Figure 4.7: The modified measurement model for the valid items

*TL =Transformational Leadership, IS = Islamic Spirituality, OC = Organisational Commitment, OCB = Organisational Citizenship Behaviour, JP = Job Performance

4.6.2 Reliability and Validity of the Constructs

As mentioned in chapter 3, it is important for the researchers to establish and test the reliability and validity of their research construct when testing any measurement

model and prior to proceeding with testing the hypothesis and causal relationships via the structural model. In the present study, the fitness of the measurement model was assessed through Cronbach's alpha for all constructs. In addition, construct validity is assessed in the present study through convergent validity and discriminate validity. According to Hair et al. (2010), convergent validity is commonly assessed through factor loadings, average variance extracted (AVE), and composite reliability (CR). The rule of thumb to establish convergent validity, factor loadings is to be equivalent to or higher than .50, but the literature suggests .70 or higher as a desirable loading. CR and AVE should be more than .70 and .50 respectively, and CR should be greater than AVE. On the other hand, discriminate validity can be achieved when the square root of AVE is above the correlation with any other variables (Fornell and Larcker, 1981). In addition, discriminant validity can also be established when AVE is greater than Average Shared Variance (ASV) and Multiple Shared Variance (MSV) (Hair et al., 2010). The following section discusses the details of internal reliability, convergent validity and discriminant validity.

4.6.2.1 Internal Reliability

As mentioned in chapter 3, the Cronbach's alpha with the value above .70 is recommended to achieve an acceptable level of reliability (Hair et al., 2010). In the present study, Table 4.17 shows that the results of the Cronbach's alpha values were higher than .70 and ranged from .0716 to .938, indicating that all the constructs had a good internal stability and consistency. Table 4.17 displays the Cronbach's alpha for all constructs.

Table 4.17: Reliability test of the measurement instruments

Constructs	Number of items	Cronbach's alpha
Transformational leadership	19	.940
Organisational commitment	13	.910
Islamic spirituality	14	.879
Organisational Citizenship Behaviour	10	.716
Job performance	13	.938

N = 482

4.6.2.2 Convergent Validity

Convergent validity was assessed through factor loading (standardised regression weight), composite reliability (CR) and average variance extracted (AVE). According to Hair et al. (2010), the rule of thumb to establish convergent validity, factor loadings is to be equivalent to or higher than .50, composite reliability (CR) value must be greater than average variance extracted (AVE), and AVE value must be greater than 0.5. As shown in Table 4.18, all items in the measurement model had a factor loading of .50 and above. Moreover, composite reliability (CR) value ranged from .767 to .922 and exceeded the cut-off value of .70, indicating a strong reliability and also providing support for convergent validity. The values of AVE for all variables exceeded the recommended threshold value of 0.50 and ranged from .502 to .782 which is also evidence for convergent validity. All the values of CR were greater than AVE suggested the adequate convergent validity of the final measurement model. Table 4.18 presents the convergent validity of the revised measurement model.

Table 4.18: Convergent validity of the revised measurement model

Factor	Items	Factor Loading	Cronbach Alpha	CR	AVE
TRANSFORMATIONAL LEADERSHIP	TL1	.672	.937	0.922	0.749
	TL2	.694			
	TL3	.728			
	TL4	.696			
	TL5	.689			
	TL6	.771			
	TL7	.761			
	TL8	.750			
	TL9	.820			
	TL10	.790			
	TL11	.812			
	TL12	.755			
	TL14	.719			
	TL15	.582			
	TL16	.711			
	TL17	.744			
	TL18	.719			
	TL19	.761			
	TL20	.819			
ISLAMIC SPIRITUALITY	IS1	.805	.879	0.843	0.588
	IS2	.728			
	IS3	.640			
	IS4	.720			
	IS7	.873			
	IS8	.900			
	IS9	.688			
	IS11	.743			
	IS13	.823			
	IS14	.791			
	IS15	.842			
	IS16	.780			
	IS17	.846			
	IS18	.787			
ORGANISATIONAL COMMITMENT	OC3	.676	.910	0.906	0.762
	OC4	.735			
	OC5	.796			
	OC6	.827			
	OC7	.637			
	OC8	.759			
	OC9	.698			
	OC13	.764			
	OC14	.669			
	OC15	.683			
	OC16	.809			
	OC17	.727			
	OC18	.711			
ORGANISATIONAL CITIZENSHIP BEHAVIOUR	OCB2	.684	.716	0.767	0.502
	OCB4	.871			
	OCB6	.783			
	OCB7	.537			
	OCB9	.820			
	OCB12	.521			
	OCB15	.655			
	OCB16	.562			
	OCB17	.816			

	OCB18	.736			
	JP1	.671	.938	0.914	0.782
	JP2	.705			
	JP3	.868			
	JP4	.869			
	JP5	.695			
	JP6	.754			
JOB PERFORMANCE	JP7	.739			
	JP9	.755			
	JP10	.833			
	JP11	.819			
	JP12	.823			
	JP13	.888			
	JP14	.880			

4.6.2.3 Discriminant Validity (Construct Validity)

Discriminant validity is met when the AVE for the construct is greater than the value of Multiple Shared Variance (MSV) and the Average Shared Variance (ASV), ($AVE > MSV$; $AVE > ASV$). Discriminant validity can also be established when the square root of AVE is greater than the inter-construct correlations. In the present study, the values of AVE for all variables were higher than the values of MSV and ASV (see Table 4.19). Also, the square root of AVE (in bold) was higher than the correlation between any other construct in its row and column, suggesting that the indicators were in common with the variable they are associated with than they do with other constructs. In other words, all the constructs of this study were separated from each other. This demonstrated that the discriminant validity of the measurement model of the present study was achieved. Accordingly, based on the result of convergent validity and discriminant validity, the model has sufficient degree of reliability and validity that allowed us to assess the next stage which is the structural model and hypothesis. Table 4.19 presents the discriminant validity index summary.

Table 4.19: Discriminant validity of the revised measurement model

	AVE	MSV	ASV	IS	OCB	TL	OC	JP
IS	0.588	0.188	0.127	0.767				
OCB	0.502	0.307	0.260	0.434	0.709			
TL	0.749	0.416	0.253	0.324	0.554	0.865		
OC	0.762	0.416	0.235	0.335	0.534	0.645	0.873	
JP	0.782	0.261	0.169	0.323	0.511	0.429	0.354	0.884

The bold diagonal denotes to the square root of AVE, while the other values represent the correlation among the latent constructs.

4.7 ASSESSMENT OF THE STRUCTURAL MODEL

According to Hair et al. (2010), when the measurement model has achieved an acceptable result and proved to have goodness-of-fit, the next step is to test the full structural model and the proposed research hypotheses. The structural model in the present study was assessed based on proposed theoretical framework (see Chapter 2), which tested the relationship between the exogenous variable (independent variable) and endogenous variable (dependent variable). In the present study, the causal structural of the model was assessed to examine and explore the effects of transformational leadership, Islamic spirituality, organisational commitment, and OCB on employee performance and examine the causal relationship between the variables. The exogenous variables of the study include transformational leadership and Islamic spirituality, while employee performance served as an endogenous variable. Organisational commitment and OCB served as mediating variables. In the structural model, it was hypothesised that organisational commitment mediate the relationship between transformational leadership and OCB, and between Islamic spirituality and OCB. It was also hypothesised that OCB mediates the relationship

between transformational leadership and job performance, and between Islamic spirituality and job performance. The structural model is displayed in Figure 4.8.

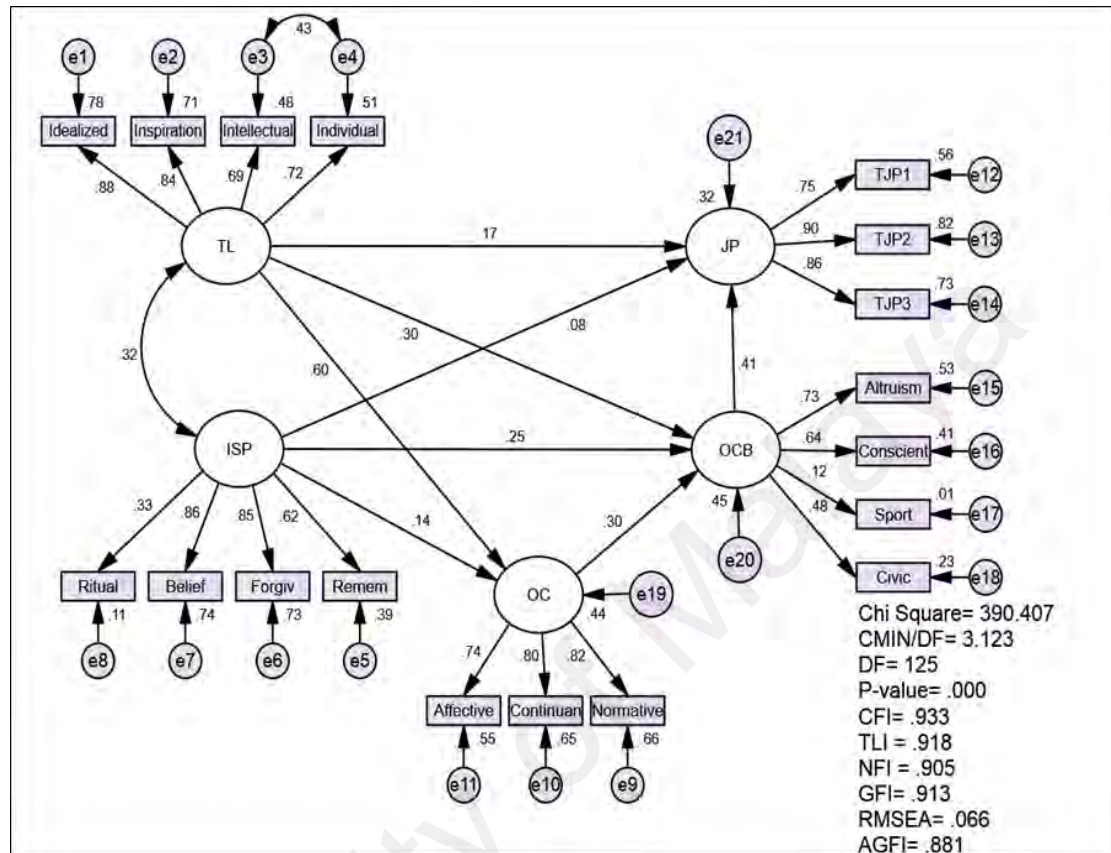


Figure 4.8: Structural Model

*TL =Transformational Leadership, ISP = Islamic Spirituality, OC = Organisational Commitment, OCB = Organisational Citizenship Behaviour, JP = Job Performance

As showed in Figure 4.8, the structural model of this study was developed based on the modified measurement model (Figure 4.7). All constructs in the measurement model were second order constructs and converted to first-order constructs in the structural model, whereby transformational leadership consists of four sub-constructs namely, idealised, inspiration, intellectual and individual. Islamic spirituality consists of four sub-constructs namely, ritual, belief, forgiveness and remembrance. Organisational commitment consists of three sub-constructs (affective, continuance and normative), while OCB and job performance consist of four sub-

constructs (altruism, conscientiousness, sportsmanship and civic virtue) and three sub-constructs (capacity to work, willingness to learn and task performance) respectively.

The initial result of the default structural model displayed that the fit indices were statistically inadequate as some of the increment fit indices (TLI=.896, NFI=.887 and GFI=.899) were below the acceptable value of .90 (see the Appendix K). Although, the result revealed that CFA=.914 and RMSEA=.075 were acceptable and satisfied the cut-off value of (CFA >.90 and RMSEA within the acceptable range of .05 and .08). However, the study sought to achieve a better fit model and, as a result, the model was revised to attain the acceptable modified indices. Modification indices were checked, and the covariance of measurement error between intellectual and individual was deemed necessary to meet the goodness-of-fit of the model. Then, the result of the revised structured model revealed acceptable high goodness-of-fit indices (see Figure 4.8).

The chi-square ($\chi^2 = 390.407$, $df = 125$) was significant at $p = 0.001$. However, the chi-square test may be misleading because of the model complexity and sample size (Byrne, 2010). As such, the normed chi-square was used instead of chi-square as recommended by (Hair et al., 2010 and Byrne, 2010). The result revealed that, the normed chi-square (CMIN/DF= 3.123) of the currently hypothesised model was below the cut-off value of 5.0. Moreover, the comparative fit index (CFI=.933), Tucker-Lewis Index (TLI=.918) and normed fit index (NFI=.905) were all found within the acceptable level of greater or equal to 0.90, indicating a good fit of the model. The root mean square error of approximation (RMSEA= 0.066) which is below the cut-off value of 0.08. All these showed a good fit of the model. Nevertheless, the result showed that sportsmanship and ritual did not

reliably load on their perspective construct and they did not manifest the essence of the Islamic spirituality and OCB as the loading was very low with .33 for ritual and .12 for sportsmanship. However, the researcher follows the suggestions of Zainudin (2014) which recommended that if the fitness indexes for the model has achieved the desired goodness-of-fit, there is no need to remove any item from the model. Table 4.20 presents the summary of the fitness indexes for the structural model.

Table 4.20: Summary of fitness indexes for the structural model

Name of category	Name of index	Level of acceptance	Index value
Absolute fit	RMSEA	<.08	.066
	Goodness-of-Fit Index (GFI)	>.90	.913
	Chi-square/Df	< 5.0	3.123
Incremental fit	Tucker-Lewis Index (TLI)	>.90	.918
	Normed Fit Index (NFI)	>.90	.905
	Comparative Fit Index (CFI)	>.90	.933
Parsimony fit	Adjusted Goodness-of-Fit Index (AGFI)	>.80	.881

Note: The threshold for these measures is recommended by (Byrne, 2010 and Hair et al. 2010).

Besides the good fit indices obtained from the structural model, SEM analysis also revealed that the square multiple correlations (R^2) for all the endogenous variable in the structural model above was greater than the cut-off value of .10 with .44 for organisational commitment, .45 for OCB and .32 for job performance. Chin (1998) considers these values at a moderate level for any endogenous latent variable in any structural model. Also, all the path coefficients were accepted and statistically significant indicating substantial relationships in the analysis. However, the structural

path between Islamic spirituality and job performance was not significant ($\beta = .080$, $p = .143$). Table 4.21 presents the estimated value of the full-fledged model items.

Table 4.21: Estimated values of the hypothesised model

Structural path			Reg. Weight	Std. Reg. Weight (β)	S.E.	C.R.	P
OC	←	IS	.176	.140	.060	2.906	.004
OC	←	TL	.655	.604	.057	11.457	***
OCB	←	TL	.266	.297	.066	4.024	***
OCB	←	IS	.258	.249	.060	4.313	***
OCB	←	OC	.245	.297	.063	3.921	***
JP	←	TL	.150	.168	.056	2.657	.008
JP	←	IS	.083	.080	.056	1.464	.143
JP	←	OCB	.410	.412	.082	4.986	***

Note: Reg. Weight = Regression weight

Std. Reg. Weight = Standardised regression weight

S.E. = Standard error of regression weight

C.R. = Critical ration of regression weight

P = Level of significance for regression weight; *** = Significance at .001

4.8 HYPOTHESIS TESTING

After all constructs in the measurement model were validated for convergent, and discriminant validity, structural equation modelling (SEM) was used to test all the hypotheses developed in this study. Twelve (12) hypotheses were proposed based on the extensive review of the literature in chapter 2. The direction and position of the proposed framework were established based on the findings and the suggestions of the prior research demonstrated in chapter 2. The following section discussed the result of all the hypotheses (direct relationship and indirect relationship).

4.8.1 Direct Relationships

A direct relationship is the relations that go directly from exogenous variable to endogenous variable. Eight (8) direct hypotheses were developed in this study and were consistent with the research questions. Table 4.22 presents the direct hypotheses of this study.

Table 4.22: Hypothesis statement

Hypothesis No.	Hypotheses Statements
H1: TL → JP	<i>Transformational leadership has a positive effect on job performance</i>
H2: TL → OCB	<i>Transformational leadership is positively related to OCB</i>
H3: TL → OC	<i>Transformational leadership has a positive effect on organisational commitment</i>
H4: OCB → JP	<i>OCB has a direct positive effect on job performance</i>
H6: OC → OCB	<i>Organisational commitment has a positive effect on OCB</i>
H8: IS → JP	<i>Islamic spirituality has a positive effect on job performance of employees</i>
H9: IS → OC	<i>Islamic spirituality has a positive effect on organisational commitment</i>
H10: IS → OCB	<i>Islamic spirituality has a positive effect on employees' OCB</i>

To examine and confirm all these proposed hypotheses, the path coefficient, standardised regression weight (β), standard error (S.E), the critical ratio (CR) and level of significance (P) were all checked in this study. The result of direct relationships between all exogenous and endogenous are disclosed in Table 4.23.

Table 4.23: Hypothesis testing using standardised estimate

Structural path			Std. Reg. Weight (β)	S.E.	C.R.	P	Status
JP	←	TL	.168	.056	2.657	.008	Supported
OCB	←	TL	.297	.066	4.024	***	Supported
OC	←	TL	.604	.057	11.457	***	Supported
JP	←	OCB	.412	.082	4.986	***	Supported
OCB	←	OC	.297	.063	3.921	***	Supported
JP	←	IS	.080	.056	1.464	.143	Not Supported
OC	←	IS	.140	.060	2.906	.004	Supported
OCB	←	IS	.249	.060	4.313	***	Supported

*** indicate a highly significant at <0.001

As shown from Table 4.23, the first hypothesis in the present study proposed that transformational leadership has a direct and positive effect on job performance. Based on the result of the hypothesised model (Figure 4.8), the path coefficient showed a positive and significant relationship between transformational leadership and job performance at .01 level. Other estimates were (β =.168, S.E =.056, C.R = 2.657, and level of significance =.008). The findings suggested that the stronger the demonstration of transformational leadership through motivating followers, making them aware of the importance of tasks outcomes, increasing their confidence, the higher the level of agent's performance. This is because of the feeling of admiration, respect, trust, and loyalty by followers towards leaders. Therefore, hypothesis 1 was supported.

The findings also showed that transformational leadership was positively and significantly related to OCB (β =.297, S.E =.066, C.R = 4.024, and level of significance =.001). The result implies that the greater the demonstration of

transformational leadership by the leaders, the stronger the demonstration of OCB by takaful agents. Therefore, Hypothesis 2 was supported.

A positive and highly significant relationship were also found between transformational leadership and organisational commitment ($\beta = .604$, S.E = .057, C.R = 11.457, and level of significance = .001). This finding suggests that transformational leadership was directly associated with organisational commitment at a substantial level ($\beta = .604$). Thus, Hypothesis 3 was supported.

Also, the result exposed that organisational commitment has a significant and positive effect on OCB with ($\beta = .297$, S.E = .063, C.R = 3.921, and level of significance = .001). Similarly, OCB exerted a significant impact on job performance with ($\beta = .412$, S.E = .082, C.R = 4.986, and level of significance = .001). These results suggested that the higher the organisational commitment and attachment to the organisation by the employee of takaful, the higher OCB towards their organisation. In other words, employees with strong organisational commitment tend to exemplify more acts of OCB. Likewise, the more acts of OCB by the employee of takaful operators, the higher the effect towards job performance. Therefore, hypotheses 4 and 6 were supported.

Hypothesis 8 proposed that Islamic spirituality has a direct positive impact on job performance. Unexpectedly, the result showed that the path coefficient between Islamic spirituality and job performance was insignificant at ($\beta = .080$, S.E = .056, C.R = 1.464, and level of significance = .143). The result implies that Islamic spirituality had no significant and direct effect on job performance. Thus, hypothesis 8 was not supported. Moreover, hypothesis 9 proposed that Islamic spirituality has a positive and significant effect on organisational commitment. As was expected in the

present study, the result indicated that the structural path between Islamic spirituality and organisational commitment was positively significant at .01 level. Other estimates were ($\beta = .140$, S.E = .060, C.R = 2.906, and level of significance = .004). The findings suggest that the high level of spirituality in workplace practised by employees will lead to a high level of organisational commitment. Thus, hypothesis 9 was supported.

Finally, hypothesis 10 proposed that Islamic spirituality has a positive and significant effect on OCB. Based on the result of the hypothesised model (Figure 4.8), the path coefficient showed a positive and significant relationship between Islamic spirituality and OCB ($\beta = .249$, S.E = .060, C.R = 4.313, and level of significance = .001). The result implies that agents who possess and practice Islam spirituality in the workplace are more likely to display acts of OCB. Therefore, this hypothesis was fully supported.

All the direct hypotheses proposed in the present study were supported except hypothesis 8 was not significant with ($\beta = .080$ and level of significance = .143). Further, the present study found that all the hypotheses were accepted at .001 level of significance except H1 and H9 were accepted at .01. Also, the critical ratio C.R which is computed by dividing estimate of the regression weight by the estimate of the standard error was also considered in this study. According to Hair et al. (2010), when the C.R value is below 1.96 then the corresponding path coefficient is not significant at .05 significance level. For instance, in the present study, the hypothesised path between Islamic spirituality and job performance was not significant as the corresponding C.R value was 1.464 ($p = .143$) which is below 1.96. The remaining hypotheses were all above the cut-off point of 1.96 which corresponds

to the .05 significance level. The next section discusses the result of an indirect relationship (mediation effect).

4.8.2 Indirect Relationships

An indirect relationship or mediation relationship is created when a third variable intervenes between exogenous and endogenous. In other words, indirect effects are those relationships that involve a sequence of relationship with at least one intervening variable involved (Hair et al., 2010). This section examines the mediating effect of two latent constructs namely organisational commitment and OCB. Four (4) indirect hypotheses were proposed in this study for the mediating variables. Table 4.24 disclose the proposed hypotheses for the mediation variables.

Table 4.24: Hypotheses for the mediation variables

Hypothesis No.	Hypotheses Statements
H5: TL →OCB→JP	<i>OCB mediates the relationship between transformational leadership and job performance</i>
H7: TL →OC→OCB	<i>Transformational leadership has a positive effect on OCB through the mediating role of OC</i>
H11: IS →OCB→JP	<i>Islamic spirituality has a positive effect on job performance through the mediating role of OCB</i>
H12: IS →OC→OCB	<i>Islamic spirituality has a positive effect on OCB through the mediating role of OC</i>

As mentioned in chapter 3, SEM was used to test the mediation effect of organisational commitment and OCB through the causal steps approach suggested by Hair et al. (2010) and Byrne (2010). Besides that, the bootstrapping technique was also used to determine the mediating role of OC and OCB. The mediation results were discussed in the following section.

(a) *Transformational leadership and job performance: testing OCB as a mediator*

In order to test mediation effect in this study, a mediation model was developed between transformational leadership, OCB and organisational commitment. This was done separately from other constructs to eliminate any confusion with the results.

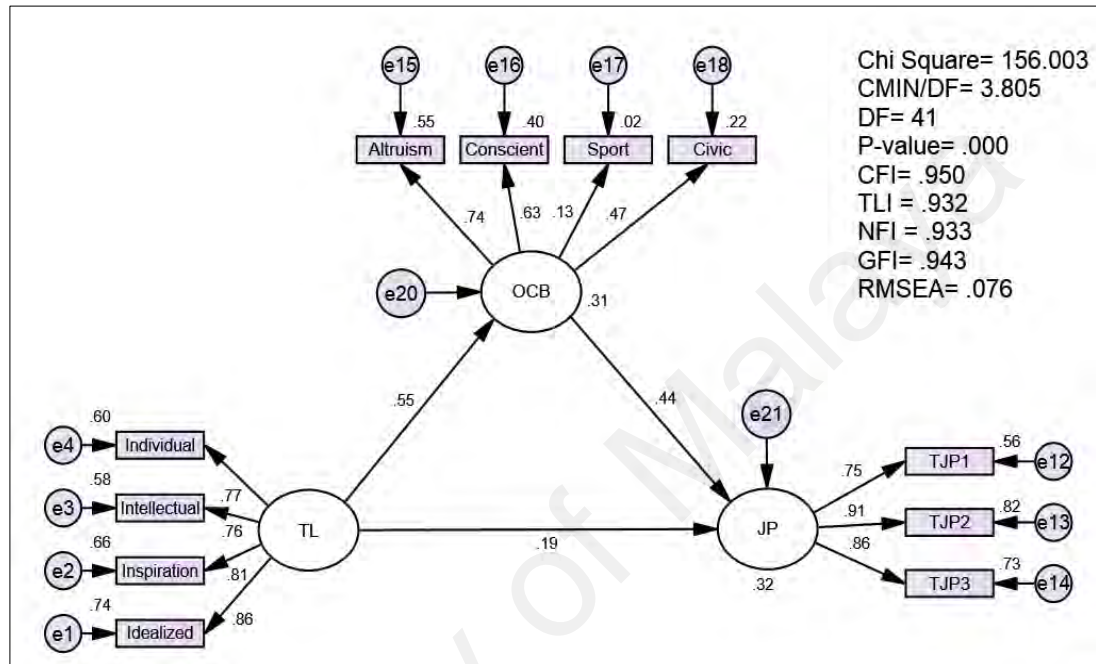


Figure 4.9: Mediation model for TL, OCB, and JP

The findings presented in Figure 4.9 demonstrated that all the constructs were valid indicating an adequately fit model with (CMIN/DF = 3.083, CFI =.950, TLI =.932, NFI =.933, RMSEA =.076). The structural path between transformational leadership and OCB resulted with standardised regression weight of ($\beta=.554$, $p < 0.001$), and between OCB and job performance with the value ($\beta=.440$, $p < 0.001$). Moreover, the direct path between transformational leadership and job performance resulted with the standardised regression weight of ($\beta=.019$). As mentioned previously, to find the mediating effects, Hair et al. (2010) suggested to multiply the result of the coefficient of the indirect path. If the result of the multiplication is greater than 0.08, then the mediation role is supported. As such, the next stage was to

examine the mediation effect of OCB for the relationship between transformational leadership and job performance. The result revealed that there was a significant relationship between transformational leadership and job performance through the mediating role of OCB with the standardised coefficient of ($\beta = .554 \times .440 = .244$) which is above the cut-off point of 0.08 suggested by Hair et al. (2010).

Accordingly, to check the degree of mediation if it is partial or full mediation, this study adopted the suggestions of Hair et al. (2010) and Byrne (2010) which stated that if the direct path between the independent variable and the dependent variable is insignificant, it confirms the evidence of full mediating. However, if the direct effect between independent variable and the dependent variable is still significant when the mediator variable enters the model, then we denote this as partial mediation. The result revealed that OCB partially mediated the relationship between transformational leadership and job performance. Thus, hypothesis 5 was supported. Table 4.25 presents the overall results of the mediation analysis for OCB.

Table 4.25: Result of mediation analysis for OCB as a mediator

Path	Direct Effect	Indirect Effect	Total Effect	Degree of Mediation
TL→OCB	.554***	-	.554	Partial Mediation
OCB→JP	.440***	-	.440	
TL→OCB→JP	.0191**	.244***	.435	

Note: ***p<0.001, **P<.01, N=482; TL= Transformational leadership, OCB= Organisational citizenship behaviour, JP= job performance

(b) *Transformational leadership and OCB: testing OC as a mediator*

The findings presented in Figure 4.10 demonstrated that all the constructs were valid indicated an adequately fit model with (CMIN/DF = 2.931, CFI =.965, TLI =.951, NFI =.948, RMSEA =.063). The structural path between transformational leadership and organisational commitment resulted with standardised regression weight of ($\beta=.649$, $p < 0.001$), whereas the structural path between organisational commitment and OCB came up with the standardised regression weight of ($\beta=.377$, $p < 0.001$). Moreover, the direct path between transformational leadership and OCB resulted with the standardised regression weight of ($\beta=.332$, $p < .001$). To determine the mediating effects, Hair et al. (2010) suggested to multiple the result of the coefficient of the indirect path. If the result of the multiplication is greater than 0.08, then the mediation role is supported. In the present study, the multiplication on the coefficient of indirect path confirmed the role of organisational commitment as a mediator between transformational leadership and OCB with the standardised coefficient of ($\beta= (0.649 \times .377) =.245 >.08$; $P <.001$). This result illustrated that organisational commitment partially mediated the relationship between transformational leadership and OCB. Thus, hypothesis 7 was supported. Figure 4.10 illustrated the structural model of organisational commitment as a mediator while Table 4.26 presents the overall results of mediation analysis for OC.

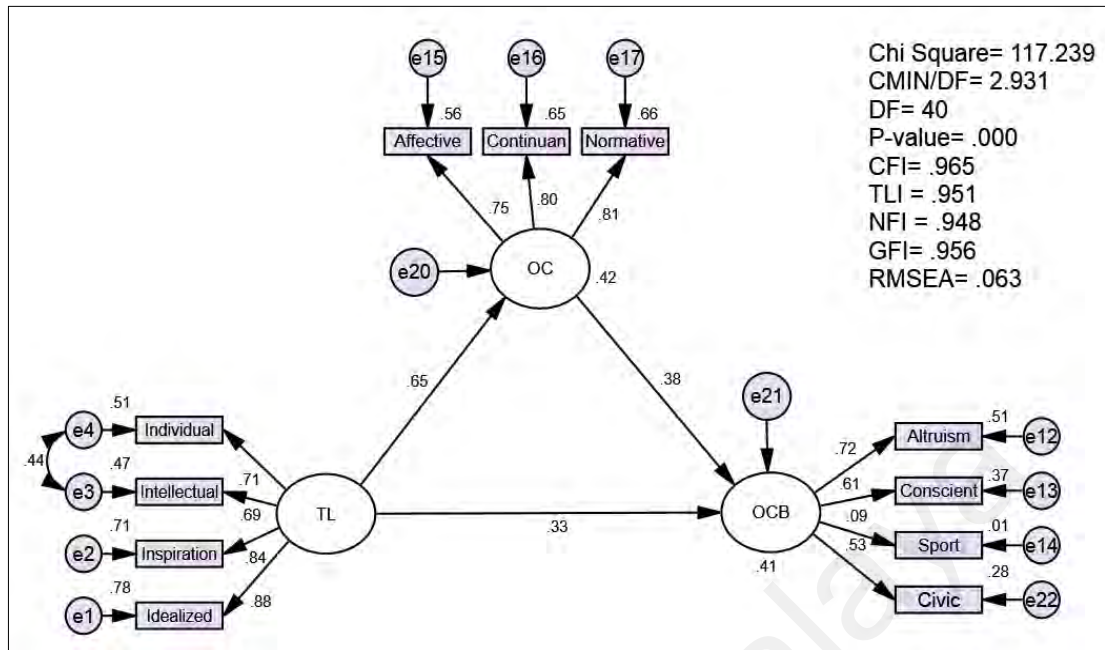


Figure 4.10: Mediation model for TL, OC, and OCB

Table 4.26: Result of mediation analysis for OC as a mediator

Path	Direct Effect	Indirect Effect	Total Effect	Degree of Mediation
TL→OC	.649***	-	.649	
OC→OCB	.377***	-	.377	
TL→OC→OCB	.332***	.245***	.577	Partial Mediation

Note: ***p<0.001, **P<.01, N=482; TL= Transformational leadership, OC= Organisational commitment, OCB= Organisational citizenship behaviour

(c) Islamic spirituality and job performance: testing OCB as a mediator

Figure 4.11 presents the mediating model for OCB in the relationship between Islamic spirituality and job performance. The findings in Figure 4.11 demonstrate that all the constructs were valid indicated an adequately good fit model with (CMIN/DF = 3.809, CFI =.943, TLI =.920, NFI =.925, RMSEA =.076).

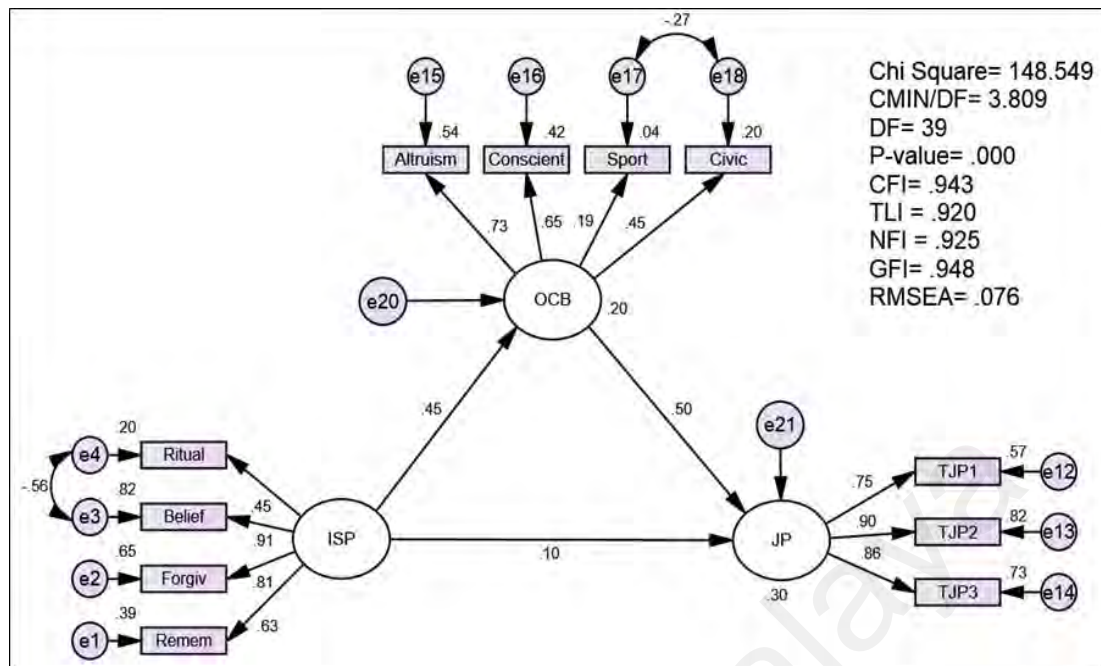


Figure 4.11: Mediation model for IS, OCB, and JP

Moreover, the findings depicted in Table 4.27 illustrate the result of the hypothesised relationship which indicates that OCB mediates the relationship between Islamic spirituality and job performance. The structural path between Islamic spirituality and OCB resulted with standardised regression weight of ($\beta=.453$, $p < 0.001$), whereas the structural path between OCB and job performance came up with the standardised regression weight of ($\beta=.498$, $p < 0.001$). Moreover, the direct path between Islamic spirituality and job performance resulted with the standardised regression weight of ($\beta=.098$, $p < .077$) which was not significant. Furthermore, to determine the mediating effects, Hair et al. (2010) suggested to multiple the result of the coefficient of the indirect path. If the result of the multiplication is greater than 0.08, then the mediation role is supported. In the present study, the multiplication on the coefficient of indirect path confirmed the role of OCB as a mediator between Islamic spirituality and job performance with the standardised coefficient of ($\beta= (0.649 \times .377) = .225 > .08$; $P < .001$). Therefore, this

result confirmed that OCB has fully mediated the relationship of Islamic spirituality and job performance as the direct path of Islamic spirituality (IV) and job performance (DV) is insignificant ($p = .077 > .05$). Thus, hypothesis 11 was supported. Table 4.27 presents the overall results of mediation analysis for OCB.

Table 4.27: Result of mediation analysis for OCB as a mediator

Path	Direct Effect	Indirect Effect	Total Effect	Degree of Mediation
IS → OCB	.453***	-	.453	Full Mediation
OCB → JP	.498***	-	.498	
IS → OCB → JP	.098	.225***	.324	

Note: *** $p < 0.001$, ** $p < .01$, $N = 482$; IS= Islamic spirituality, OCB= Organisational citizenship behaviour, OC= Organisational commitment,

(d) *Islamic spirituality and OCB: testing OC as a mediator*

Figure 4.12 presents the mediating model for organisational commitment in the relationship between Islamic spirituality and OCB. The finding in Figure 4.12 demonstrates that all the constructs were valid indicating an adequately good fit model with (CMIN/DF = 4.025, CFI = .931, TLI = .903, NFI = .911, RMSEA = .079).

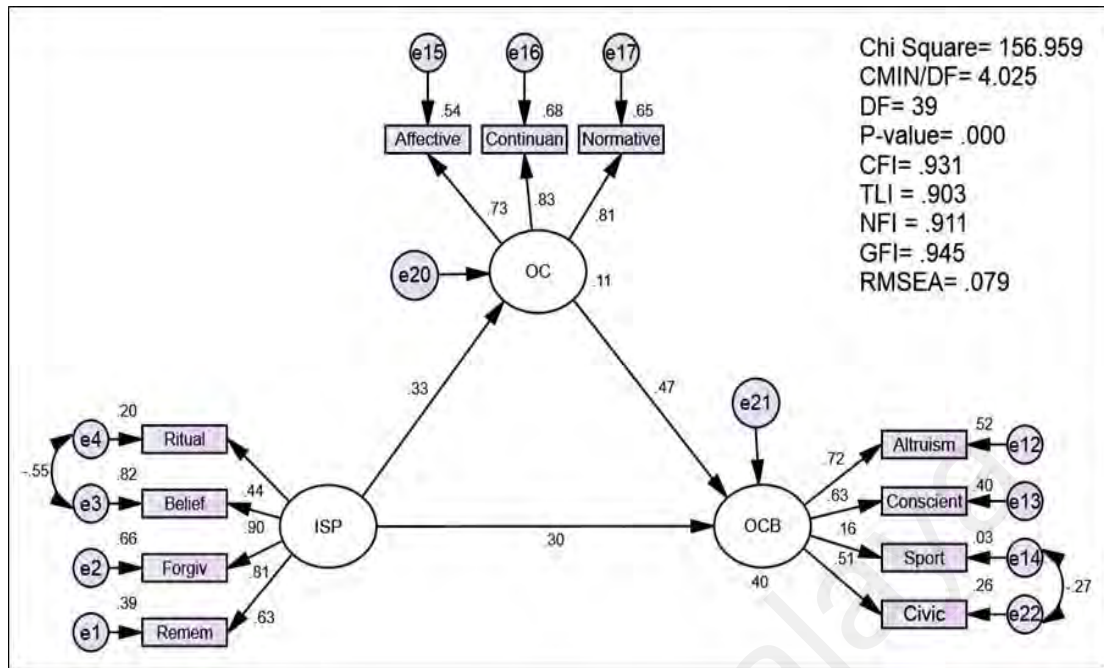


Figure 4.12: Mediation model for IS, OC, and OCB

Moreover, the findings depicted in Figure 4.12 illustrated that the result of the hypothesised relationship which indicates that organisational commitment mediates the relationship between Islamic spirituality and OCB. The structural path between Islamic spirituality and OC resulted with a standardised regression weight of ($\beta=.328$, $p <.001$), whereas the structural path between organisational commitment and OCB came up with the standardised regression weight of ($\beta=.471$, $p <.001$). Moreover, the direct path between Islamic spirituality and OCB resulted with the standardised regression weight of ($\beta=.296$, $p <.001$).

The result confirmed the role of organisational commitment as a mediator between Islamic spirituality and OCB with the standardised coefficient of ($\beta= (0.328 \times .472) = .154 >.08$; $P <.001$). As a result, organisational commitment partially mediated the relationship between Islamic spirituality and OCB. Thus, hypothesis 12 was supported. Table 4.28 presents the overall results of mediation analysis for OC.

Table 4.28: Result of mediation analysis for OC as a mediator

Path	Direct Effect	Indirect Effect	Total Effect	Degree of Mediation
IS →OC	.328***	-	.453	
OC→OCB	.471***	-	.498	Partial Mediation
IS →OC→OCB	.296***	.154***	.450	

Note: ***p<0.001, **P<.01, N=482; IS= Islamic spirituality, OC= Organisational commitment, OCB= Organisational citizenship behaviour

4.8.3 Reconfirming Mediation Effect Using Bootstrap Approach

The bootstrapping method was performed for all mediation constructs in the present study to confirm whether organisational commitment and OCB mediate between transformational leadership, Islamic spirituality and job performance. As suggested by Hayes (2009), the usual number of resampling could be between 1000 to 5000 times. In this study, the sample for bootstrapping was 5000 times with bias-corrected confidence interval at 95% as suggested by Hayes (2009). Table 4.29 summarises the mediation test result using bootstrapping.

All the results disclosed in Table 4.29 showed that the standardised indirect effect for all mediators falls in between the value of lower and upper bound with confidence interval (CI) does exclude zero (Hu and Wang, 2010). For instance, the standardised indirect effect of OCB towards the relationship between transformational leadership and job performance is .244 (P <.001), lower bound CI=.168 and upper bound CI=.345. Moreover, the standardised indirect estimates of (H7) =.245 (p <.001), with lower bound CI=.132 and upper bound CI=.377. Overall, all estimates were significant at p <.001. Table 4.29 summarises the result of hypotheses testing for mediation variables.

Table 4.29: Results of hypotheses testing using Bootstrapping method

Hypotheses	Standardised indirect estimates	S.E	Bias-Corrected 95% confidence Interval		P
			Lower Bound	Upper Bound	
H5: TL→OCB→JP	.244	.057	.168	.345	.001
H7: TL→OC→OCB	.245	.067	.132	.377	.001
H11: IS→OCB→JP	.225	.057	.159	.313	.001
H12: IS→OC→OCB	.154	.059	.099	.222	.001

4.9 SUMMARY OF HYPOTHESES TESTING

Twelve hypotheses were proposed in this study. From the analysis, out of 12, only one hypothesis was not supported (H8). The remaining supported hypotheses involved both direct relationship and mediation effect. Table 4.30 summarises the results of analyses on all the hypotheses in this research.

Table 4.30: Results of hypotheses testing

No.	Hypotheses path	Hypotheses statements	Results
1	H1: TL → JP	<i>Transformational leadership has a positive effect on job performance</i>	Supported
2	H2: TL → OCB	<i>Transformational leadership is positively related to OCB</i>	Supported
3	H3: TL → OC	<i>Transformational leadership has a positive effect on organisational commitment</i>	Supported
4	H4: OCB → JP	<i>OCB has a direct positive effect on job performance</i>	Supported
5	H6: OC → OCB	<i>Organisational commitment has a positive effect on OCB</i>	Supported
6	H8: IS → JP	<i>Islamic spirituality has a positive effect on the job performance of employees.</i>	Not supported
7	H9: IS → OC	<i>Islamic spirituality has a positive effect</i>	Supported

on organisational commitment

8	H10: IS → OCB	<i>Islamic spirituality has a positive effect on employees' OCB</i>	Supported
9	H5: TL→OCB→JP	<i>OCB mediates the relationship between transformational leadership and job performance</i>	Supported
10	H7: TL→OC→OCB	<i>Transformational leadership has a positive effect on OCB through the mediating role of OC</i>	Supported
11	H11: IS→OCB→JP	<i>Islamic spirituality has a positive effect on job performance through the mediating role of OCB</i>	Supported
12	H12: IS→OC→OCB	<i>Islamic spirituality has a positive effect on OCB through the mediating role of OC</i>	Supported

4.10 CHAPTER SUMMARY

The aim of this chapter was to present the result and finding of this research. A total of 482 usable responses were analysed using SPSS and AMOS. The chapter begins with data preparation and screening of the final data from any missing data, outliers, assessment of normality and making sure that no evidence of multicollinearity before further analysis was performed. This was followed by analysing the descriptive statistics and demographic profile of respondents, and the result revealed the appropriateness and the richness of the demographic data to achieve the objective of this study. Next, the attributes of the questionnaire were examined through mean, standard deviation, skewness and kurtosis. Besides that, the reliability statistics of the questionnaire were examined and the Cronbach's alpha ranged from .812 to .943 indicating a good reliability of the instruments.

Following the attributes of the questionnaire, explanatory factor analysis (EFA) was conducted to answer the first research objective which is to find the

underlying measurement/dimensions of employee performance from the perspective of takaful operators' agents. After that, an overall EFA was performed for the other four constructs which have been adopted from prior studies, namely, transformational leadership, Islamic spirituality, organisational commitment, and organisational citizenship behaviour. Moreover, the reliability of these construct was checked to ensure the internal consistency of all factors in this study. The result revealed all Cronbach's alpha values exceed the recommended cut-off point value and ranged from .762 to .940.

After EFA is achieved, two stages of SEM analysis were adopted in this study. The first stage is an analysis of the measurement model and the second is an analysis of the full-fledged structural model. The measurement model is used to ensure the accuracy of the result of EFA and to confirm that all the measurement items used to measure every construct of this study. As such, CFA was used for each construct retained from EFA. After that, an overall measurement model was conducted simultaneously for all constructs using CFA to assess the overall fit and to test the reliability, convergent and discriminant validity, as suggested by (Hair et al., 2010). The second stage was the full-fledged structural model which used to test the proposed of hypotheses of this study. The result of the hypothesised structural model revealed a perfectly good fit indicated the causal relationship among the exogenous and endogenous latent construct of this study.

Overall, the major empirical finding of this study revealed that job performance appeared to have directly and indirectly influenced by all construct. To illustrate, all direct hypotheses proposed in the present study were all supported except hypothesis eight which hypothesised that "*Islamic spirituality has a positive effect on the job performance of employees*" was insignificant with ($\beta = .080$ and

level of significance = .143). Moreover, the findings revealed that organisational commitment was partially mediated the relationship between transformational leadership and OCB and between Islamic spirituality and OCB. Also, OCB partially mediated the relationship between transformational leadership and job performance and fully mediated the relationship between Islamic spirituality and job performance. Further discussion of the results provided in this chapter are elaborated in the next chapter.

CHAPTER 5: CONCLUSION AND RESEARCH IMPLICATION

5.1 INTRODUCTION

This chapter presents a discussion of the findings and results of the study which empirically examined and validated the relationship between transformational leadership, Islamic spirituality, OCB, organisational commitment, and employee performance. A number of empirical studies have been conducted on the concept of transformational leadership (Bass & Avolio, 1995; Gregory Stone et al., 2004; Judge & Piccolo, 2004; Kim, 2013; Kirkman et al., 2009; Limsila & Ogunlana, 2008; Suliman & Al Obaidli, 2013; Toor & Ofori, 2009; Vigoda-Gadot, 2007). However, very little research exists regarding the effects of specific facets of transformational leadership on organisational commitment and OCB, especially in work organisation in Malaysia and specifically, in Islamic insurance (Takaful). Similarly, Islamic spirituality is a more recent development construct and has yet to be fully explored, and further investigation is deemed necessary (Kamil et al. 2011). As a result, the purpose of this study was to identify, test, and validate those factors (transformational leadership, Islamic spirituality, OCB, and organisational commitment) which are recommended for the successful of employee performance and ultimately; the overall organisational performance and effectiveness (Garcia-Zamor, 2003; Gregory Stone et al., 2004; Kamil et al., 2011; Karakas, 2009; Kim, 2013; Kirkman et al., 2009; Kutcher et al., 2010; Limsila & Ogunlana, 2008; Mat Desa & Koh Pin Pin, 2011; Milliman et al., 2003; Nasurdin et al., 2013; Osman-Gani et al., 2013; Pawar, 2009; Rego & Pina e Cunha, 2008; Suliman & Al Obaidli, 2013; Tepper, 2003; Toor & Ofori, 2009; Tsafe & Abd Rahman, 2014; Vigoda-Gadot, 2007).

A group of 513 employees participated in the research survey and provided usable data for analysis. This chapter provides a further discussion of the results, the research contributions, the practical implications for managers and organisations, limitations and recommendations for future research.

5.2 DISCUSSION OF THE RESULTS

This research attempts to explore and investigate the role of transformational leadership, Islamic spirituality, organisational commitment, and OCB in enhancing employee performance of Malaysia takaful companies. For this purpose, a quantitative method along with hypotheses testing was used in this research. The data collected from 513 takaful agents were subjected to quantitative analyses through both the descriptive and inferential using SPSS and AMOS software package.

Explanatory factor analysis (EFA) was used to answer the first research question which was about to find the underlying dimensions of employee performance from the perspective of takaful operator's employee. The result of the factor analysis revealed that Bartlett's test of Sphericity was statistically significant [$\chi^2 (91) = 4627.383, p = .001$]. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was .934, indicating that sample was sufficient to support PCA. The initial factors were then subjected to varimax rotation. The result revealed that three factors with eigenvalue more than 1, explaining 70.984% of the total variance based on the data collected from the sample of 482 respondents. The values of variable loadings ranged between .573 (item JP5) and .798 (item JP1).

The first factor contained 5 items which reflect developing skills needed for the future career, acquiring and possessing relevant knowledge, and seeking information from others. Following the guideline of Hair et al. (2010) and Kline

(2011), this factor was labelled willingness to learn. The second factor contained 5 items which reflect the accuracy of work, coming up with new ideas, finding an improved way to do things and working for the overall good of the organization. Considering higher loading and following the guidelines by Hair et al. (2010), this factor was labelled ability/capacity to work. The third factor contained 3 items which reflect the effectiveness at workplace, fulfilling specific tasks and meet performance standards and expectation. Considering higher loading as recommended by researchers, this factor was labelled task performance.

Cross loadings were not encountered and all item loaded on hypothesised factor, however, the item JP8 “Working independently with little supervision” was blank owing to the fact that loading of .50 and below were suppressed during the factor extraction. The internal consistency of all factors was obtained by using Cronbach’s alpha coefficient. The result shows that all three factors (willingness to learn, ability/capacity to work, and task performance) have good subscale reliability and internal consistency (.884, .885, and .895) respectively. Sekaran and Bougie (2010) noted that the researcher considered the threshold of internal consistency as 0.70 and above to provide acceptable evidence of the being the dimensions particularly grouped on the construct of interest.

After that, an overall measurement model was conducted simultaneously for all constructs using confirmatory factor analysis (CFA) to assess the overall fit and to test the convergent and discriminant validity. The findings show that the measurement model has achieved the desired goodness-of-fit, and both convergent and discriminant validity were attained. Accordingly, this proved that the model has sufficient degree of reliability and validity which allowed the researcher to assess the structural model and the hypotheses proposed in the present study. The following

section provides a discussion of the empirical evidence of the hypotheses developed in this study. Discussion of the hypotheses is sequenced into two subsections based on direct hypotheses and indirect hypotheses.

5.2.1 Discussion of the Direct Hypothesis

Eight direct hypotheses were established in the study to test the correlations between the five proposed variables. Path coefficient in structural equation modelling analysis was examined, and the results exposed that all the path coefficients were accepted and statistically significant indicating substantial relationships in the analysis. However, the structural path between Islamic spirituality and employee performance was not significant. The following section discusses in-depth the finding of all direct hypotheses explored in this study.

1) Correlation between Transformational Leadership and Job Performance

The first hypothesis (H1) of the study postulated that transformational leadership style, from the employee perspective, would be positively correlated with employee performance. As predicted, the study revealed that there was a significant relationship between transformational leadership and employee performance; therefore, hypothesis 1 was supported. The findings of this study support previous research showing that transformational leadership is related to follower employee performance. Developing a close relationship with employees, inspiring and motivate them, stimulating innovation and creativity, spending time coaching and helping them to develop their strength, and making them aware of the importance of tasks outcomes are expected to result in a greater level of employee performance to the organisation. In other words, the feeling of admiration, respect, trust, and loyalty by followers towards leaders will heighten followers' level of performance and make them more dedicated and engaged with their work.

These findings support previous research (Geyery & Steyrer, 1998; MacKenzie, Podsakoff, & Rich, 2001; Parry & Proctor-Thomson, 2003; Yasin Ghadi et al. 2013) on the association between transformational leadership and employee performance. Yasin Ghadi et al. (2013) recommended that followers who have transforming managers are more likely to be energetic, dedicated and more engaged in work. Similarly, Biswas (2012) emphasised on the important role of transformational leadership and reported that transformational leadership would significantly and positively influence employees' performance. The empirical findings of the present study reinforce the work of previous research and offer further support for the majority of research studies demonstrating a positive and significant relationship between the two constructs. Nevertheless, the present findings differ from previous studies regarding differentiating between employee performance and extra-role performance (OCB), where employee performance is a separate dimension from OCB and refers to job-related behaviour outcomes like work quality and quantity, the accuracy of work, and dependability at the workplace.

This study suggests that takaful operators should provide more training to their leaders, particular, unit manager and group agency manager, to display more transformational leadership behaviours which in turn will have an impact on the development of employees. Employees who perceive their leaders to be influential, to instil pride and confidence in them, and helpful in ways that build and develop their strength, are likely to perform a better job to their organisation. Managers trained in transformational leadership behaviours can potentially be more effective and influential as leaders.

2) Transformational Leadership is Positively Related to OCB

Hypothesis 2 (H2) proposed that transformational leadership would be positively related to organisational citizenship behaviour. The study revealed that there were significant relationships between the two constructs ($\beta = .297$, S.E = .066, C.R = 4.024, and level of significance = .001); therefore, hypothesis 2 was supported. Although some previous studies (e.g., Podsakoff et al. 1990 and Kim, 2013) have found that there is no direct relationship between transformational leadership and OCBs, the findings of the present study support the majority of research studies (MacKenzie et al., 2001; Suliman and Al Obaidli, 2013; Humphrey, 2012; Omar et al., 2009) demonstrating a positive and significant associations between the two constructs. The reason of the contradictions with some previous studies (e.g., Kim, 2012) might be because of the cultural characteristics of government in Korea which encourage employees to follow their job description instead of engaging in voluntary works (Kim, 2012). Moreover, when leaders evaluate the performance of their staff, they consider both in-role performance and extra-role performance. However, staff may see the performance of OCBs as a mean of rewards or incentive (Podsakoff et al., 1990). This study differentiates between employee performance and extra-role performance (OCB), where employee performance is a separate dimension from OCB and refers to job-related behaviour outcomes like work quality and quantity, the accuracy of work, dependability at the workplace and working for the overall good of the organisation.

The result of this study is in alignment with MacKenzie et al. (2001) who investigate the impact of transformational and transactional leadership on OCB of the salesperson. They found that transformational leadership has a strong direct and indirect association with OCB compared with transactional leadership. They

concluded that followers who have transforming managers and supervisors are more likely to do better and go beyond the call of duty. The findings also support Suliman and Al Obaidli (2013), Humphrey (2012) and Omar et al. (2009) that transformational leadership is positively related to OCB. Therefore, managers and leaders who develop followers, empower and motivate them to achieve higher goals and to perform beyond standard expectations will see more and frequent acts of OCB from those employees.

3) Transformational Leadership Has a Positive Effect on Organisational Commitment

Hypothesis three (H3) tested the relationship between transformational leadership and organisational commitment. As expected, transformational leadership and organisational commitment were found to be significantly correlated at a substantial level ($\beta = .604$). This relationship was stronger than that found between transformational leadership and OCB ($\beta = .297$). These results are aligned with previous research finding of (Bo, 2013; Khasawneh et al., 2012; Dunn et al., 2012; Simosi and Xenikou, 2010; Kim, 2013; Rafferty and Griffin, 2004; Seungmo Kim et al., 2012; Walumbwa and Lawler, 2003). This finding can be interpreted that when employees perceive their leaders as a role model who acquire noble character and behave in a charismatic way, the attribution they make on commitment and attachment to the organisations is expected to be high. In other words, attachment to the organisation is amplified when the leader inspires and motivates employees, stimulates innovation and creativity, spends time coaching and helping them to develop their strength, and making them aware of the importance of tasks outcomes, which enhances the level of organisational commitment with an organisation.

The present study support previous findings (Bo, 2013; Dunn et al., 2012; Simosi and Xenikou, 2010; Kim, 2013) on the relationship between transformational leadership and organisational commitment. According to Bo (2013), the relationship between the two constructs indicates the importance for leaders to consider personnel work and serve as a role model to meet organisational goals. The findings also support Khasawneh et al. (2012) that the high level of transformational leadership practised by school principals will lead to high level of organisational commitment by vocational teachers.

This study suggests that the leader who is a role model for employees and behave in accordance with the values and principles that he/she promotes can simply build commitment to the organisation. Besides, leaders who motivate and inspire those around them by appreciating their work displays optimism that company goals can be accomplished, encourage the development of their staff strengths, and exhibit more confidence in the abilities of their staff members can positively influence the employees' perception of organisational commitment. Bass (1985) mentioned that by being a good role model and behave consistently with high moral, transformational leaders are more likely to build commitment among their officers.

4) *Correlation between Organisational Commitment, OCB and Performance (H4 & H6)*

Hypothesis four (H4) in the present study was to determine the relationship between OCB and employee performance while hypothesis five (H6) tested the relationship between organisational commitment and OCB. The findings revealed that a substantial relationship between OCB and employee performance ($\beta = .412$ and $P = .001$) whereas a moderate relationship between organisational commitment and OCB ($\beta = .297$ and $P = .001$). The results can be interpreted that the higher the

organisational commitment and attachment to the organisation by the takaful employee, the higher OCB towards their organisation. In other words, employees with strong organisational commitment tend to exemplify more acts of OCB. Likewise, the more acts of OCB by the employees of takaful, the higher the effectiveness towards job performance. The findings support previous research by Zeinabadi (2010), Kim et al. (2011) and Sangmook Kim (2006) on the associations between organisational commitment and OCB. Kim et al. (2011) found that organisational commitment had a positive effect on OCB and ultimately; enhance organisational effectiveness. This study also supports Zeinabadi's (2010) finding that committed employees are more likely to be involved in behaviours that enhance their values and support the organisation. This finding can be interpreted that when leaders treat employees with respect and value their work, stimulate innovation and creativity, and spend time helping them to develop their strength, the employees will be more like attached and committed to the organisation, which, in turn, will motivate them to go above and beyond their self-interest for the good of the organisation.

Moreover, this finding is in line with previous findings which found that developing close relationships with employees and focusing on motivating them is expected to enhance and boost organisational commitment and ultimately motivate them to go beyond what they are required to do (Cho & Johanson, 2008; Chiang & Hsieh, 2012). Oakley and Kruey (1991) as seen in Bhargava (2003) noted that transformational leaders have not only the vision but also the ability to get their employees to accept ownership of that vision as their own, thus; developing the commitment to carry it through to completion. It is in this manner that transformational leaders "need to possess the willingness and ability to inspire and

empower their employee to do what it takes to translate the vision into reality” (p. 156).

5) *Islamic Spirituality Has a Positive Effect on Job Performance of Employees*
(H8)

Hypothesis eight (H8) postulated that Islamic spirituality in the workplace is related to employee performance. Previous studies have found that spirituality in the workplace has a positive effect on employee performance and organisational performance (Mitroff and Denton, 1999; Neck and Milliman, 1994; Garcia-Zamor, 2003; Osman-Gani et al., 2013; Karakas, 2009; Tsafe and Abd Rahman, 2014; Grine et al. 2015). According to Osman-Gani et al. (2013), the main function of spirituality is reaching a highly evolved personal state or accomplishment of one’s highest potential, which helps to boost employee motivation and creativity. Karakas (2009) concluded that potential benefit for organisational performance by integrating and incorporating spirituality in the workplace. Likewise, Tsafe and Abd Rahman (2014) stated that encouraging spirituality in employee performance is effective toward improving board strategic management.

Unexpectedly, the result gained from the empirical study revealed the opposite of prior studies. The findings showed that the path coefficient between Islamic spirituality and employee performance was insignificant at ($\beta = .080$ and level of significance $= .143$). This result implied that Islamic spirituality, which consists of belief (*Imām*), ritual (*‘ibādāt*), repentance/forgiveness (*Tawbah/Al-‘afw*) and remembrance of *Allāh* (*Dhikrullāh*), had no significant and direct effect on job performance. Thus, hypothesis 8 was not supported.

Although the findings of the structural model (figure 4.8) shows a good fit for indices (CMIN/DF= 3.123; CFI=.933; TLI=.918; NFI= 0.905 and RMSEA= 0.066), the result contradicts with previous studies, which indicated that spirituality is capable to produce energetic and effective employees and consider spirituality as a critical factor, which enables employees to increase their potential and become more effective at organisation (Al-fahdawi and Al-Hawamdeh, 2002; Hawa, 2004, Grine et al. 2015).

This insignificant result of the relationship between Islamic spirituality and employee performance can be explained by the *Hadith* of the Prophet (PBUH) which says that “the best among you are those who have the best manners and character” (*Sahīh al-Bukhari*). Kamil (2011) opined that individuals may possess high levels of Islamic spirituality but may not necessarily display OCBIP if they do not possess good manners and attitude. This could be true if we consider that individuals do not possess high levels of Islamic spirituality but merely display acts of *‘ibādāt* within their community. As it is hard to understand how one cannot inculcate OCBIP and hold dear the values of Islamic Spirituality. Another reason for the contradiction of this result, with previous studies, is perhaps due to the construct of Islamic spirituality, which is based on an Islamic perspective management whereas most of the previous studies used spirituality from predominantly western research. Hence, the result was not significant.

Additionally, people might have different abilities and skills in the workplace and employees that lack knowledge and skills will not contribute much to the company, regardless of their level of spirituality. Perhaps, there may be an impact on employee performance through Islamic spirituality, but it remains very low in this study. As a consequence, acquiring and developing employees’ skills and providing

more training to improve their competency and capabilities may have a greater impact on job performance. Nevertheless, Islamic spirituality has a significant positive effect on organisational commitment and OCB, which indirectly influences employee performance. The next sections will elaborate on the relationship between Islamic spirituality, organisational commitment and OCB.

6) *Islamic Spirituality Has a Positive Effect on Organisational Commitment (H9)*

These findings were intended to examine hypothesis seven (H9) of the current study. Hypothesis 7 was to explore the relationship between the attributes of Islamic spirituality and organisational commitment of takaful employees. The result of this study showed that there was a significant relationship between the two constructs suggesting that the higher the level of Islamic spirituality practised by employees in the workplace, the stronger the demonstration of organisational commitment. Therefore, hypothesis 7 was supported. The result of this study supports previous findings (Rego & Pina e Cunha, 2008; Osman-Gani et al., 2013; Mat Desa and Koh Pin Pin, 2011; Milliman et al., 2003; Ashmos & Duchon, 2000; Chawla & Guda, 2010; Suleiman et al., 2012) and add further support for the construct of Islamic spirituality which is still new and in its formative stage.

Moreover, the findings of the current study were consistent with previous studies by Ashmos & Duchon (2000), Chawla & Guda (2010) and Suleiman et al. (2012) suggesting that practising spirituality in the workplace would enhance and boost organisational commitment, improves employee and organisational performance. This can suggest that applying spiritual practices in the workplace might lead to maintaining a high level of organisational commitment. The practice of spirituality will encourage employees to become more effectively attached and loyal

to their organisations, and ultimately more engaged and productive within their organisation.

7) *Islamic Spirituality Has a Positive Effect on Employees' OCB (H10)*

Hypothesis ten (H10) tested the relationship between Islamic spirituality and OCB. The result of SEM revealed a significant relationship between the two constructs. The findings showed that the path coefficient between Islamic spirituality and OCB was positive and significant at ($\beta = .249$ and level of significance $= .001$); therefore, hypothesis ten was supported. This implies that agents whom possess and practice Islamic spirituality in the workplace will more likely tend to demonstrate more acts of OCB. Even though the relation between the two constructs is not that strong, the result is still significant. This finding is consistent with previous studies (Milliman et al., 2003; Tepper, 2003; Krishnakumar & Neck, 2002; Robert A. Giacalone & Jurkiewicz, 2003; Pawar, 2009; Kazemipour and Mohd Amin, 2012; Nasurdin, Nejati, and Mei, 2013; Kutcher et al., 2010) which suggest that employees who practice spirituality in the workplace are more likely to engage in OCB with all its dimensions. This finding indicates that workplace spirituality is considered a significant precursor of organisational citizenship behaviour (OCB), which improves human wholeness (Krishnakumar & Neck, 2002), encourages employees to be happy (Robert A. Giacalone & Jurkiewicz, 2003), and subsequently; make employees perform extra role behaviour and enhance organisational performance (Pawar, 2009; Rego & Pina e Cunha, 2008).

The finding of this study suggests that an agent, who is the representative of a takaful operator, should attend courses and interactive training to enlighten one's Islamic values and principles such as *Ihsan*, trust, honesty, respect, sincerity and accountability before passing the required takaful examination. These training

courses can be organized by the Malaysian Takaful Association (MTA) in collaboration with operators and its main objective is to raise awareness of agents on the noble objectives of takaful and the importance of Islamic spirituality in the workplace such as performing religious rituals, remembrance of Allah within the workplace, and following Islamic values and principles.

It is assumed that the implementation of this suggestion will change the attitude of takaful agents positively and lead to high levels of organisational commitment and greater displays of OCB within the workplace, which, in turn, will influence the overall employee job performance. Besides, the application of this suggestion is believed to help agents of takaful operators to differentiate between the conventional approach, which stresses only on commission and profit making and the takaful approach, which emphasizes on a clear and sincere intention to help customers through the provision of acquiring beneficial products. In other words, takaful agents should not undermine the noble objective of takaful by pursuing their own personal interest. Aiman (2009) mentioned that “the ultimate aim of takaful agency members (from agency unit managers, specialist, and agent) is to seek the pleasure of Allah, submit entirely to his will and strive towards the final abode in the hereafter” (p.118).

5.2.2 Discussion of the Indirect Hypothesis

The present studies established four indirect hypotheses for testing. Two hypotheses (H5 & H11) proposed the mediation effect of OCB and another two hypotheses (H7 & H12) propose organisational commitment as the mediating variable. The result revealed that all the hypotheses were partially supported, except one hypothesis was fully supported. The empirical result suggests that organisational commitment partially mediated the relationship between transformational leadership and OCB and

between Islamic spirituality and OCB. OCB was also partially mediated the relationship between transformational leadership and employee performance, while the relationship between Islamic spirituality and employee performance was fully mediated by OCB. The following section discusses in-depth the finding of all indirect hypotheses explored in this study.

1) Mediation Effect of OCB in the Relationship between Transformational Leadership and Employee Performance (H5)

This study intended to examine the mediating role presented in the proposed models (chapter 2). The first mediating hypothesis (H5) postulated that OCB plays the role of mediator between transformational leadership and employee performance. The result revealed that OCB seems to mediate the relationship between transformational leadership and employee performance partially. To elaborate, the structural path between transformational leadership and employee performance was positively significant and in line with previous research (Parry & Proctor-Thomson, 2003; Yasin Ghadi et al. 2013; Biswas, 2012). By the inclusion of the mediating effect of OCB, the result revealed that there was a significant relationship between transformational leadership and employee performance. This finding is consistent with the prior studies, where it was indicated that when employees exerted themselves, giving extra attention and effort and go beyond their job descriptive, human and capital resources will be used more effectively (Chiang & Hsieh, 2012). Organisations which have good transforming leaders would enhance and empower followers to performer beyond the call of duty and beyond standards expectations which, in turn, enhance employee work performance and enable them to attain the target established by the company.

2) *Mediation Effect of Organisation Commitment in the Relationship between Transformational Leadership and OCB (H7)*

Hypothesis seven (H7) investigates the role of organisational commitment in the relationship between transformational leadership and OCB as researched by Koh et al. (1995) and Kim (2012). It is found in their studies that transforming leaders will help followers to demonstrate frequent acts of OCB by strengthening organisational commitment. Likewise, the finding of the present study showed that outstanding organisational commitment is certainly derived when leaders engage with their followers and raise one another to a high level of motivation and morality, develop their leadership capabilities by listening to their individual needs, increase their confidence and matching their goals with an organisational vision (Bass & Riggio, 2006; Kim, 2013). By understanding these factors, organisations can boost loyalty and enhance organisational commitment which, in return, will result in a greater level of OCB. Besides, the empirical result of this study showed that organisational commitment partially mediates the effect of transformational leadership on OCB. The partial mediation is due to the fact that the direct path between transformational leadership and OCB was significant (see Figure 4.10), thereby confirming the evidence of partial mediation.

3) *Mediation Effect of OCB in the Relationship between Islamic Spirituality and Employee Performance (H11)*

The present study researched the relationship between Islamic spirituality and job performance through the mediation effect of OCB (H11). To the researcher's knowledge after carefully reviewing spirituality in the workplace literature, this is the first attempt to exploring OCB as mediating variables between Islamic spirituality and employee performance. The finding exposed that the relationships between

Islamic spirituality and OCB, and between OCB and employee performance were statistically significant ($\beta=.453$, $p < 0.001$; $\beta=.498$, $p < 0.001$) (see Figure 4.11). Nevertheless, the path coefficient between Islamic spirituality and employee performance was not significant with standardised regression weight ($\beta=.098$, $p = .077 > .05$). Therefore, this result confirmed that OCB has fully mediated the relationship between the two constructs. Possible explanation of this finding is that, in the milieu of business, Islamic spirituality refers to the presence of a relationship with God that comprise belief and daily-living action and behaviour that in line with Islamic rules and principles; and which requires individual or employees to exemplify devotion to Islamic and ethical values such as sincerity, honesty, precision, trustworthiness, and conscientiousness (Kamil, 2011). Sadīq (1996) stated that adhere to the spiritual values, which include Islamic ethics, such as good manners, sincerity, satisfaction, contentment, modesty, as well as the preservation of human dignity and pride, will lead to an increase in the love displayed among the people and provide them with support. As a consequence, the feeling of being respected and loved by others might lead to an experience of joy at work and influence employees to display more acts of OCB and consequently; increase productivity among employees.

Furthermore, Islam encourages individuals to be excellent with any act, deed or work they perform, and called this *Iḥsān* “excellence and perfection”. *Iḥsān*, as mentioned by the Prophet Muhammad (PBUH), is “to worship God as if you are seeing him; and although you do not see Him, He sees you”³. Osman-Gani et al. (2013) mentioned “believing that one is always monitored by God (*Iḥsān*) has a

³ *Hadīth* narrated by Muslim.

better impact than just performing ritual activities of religion” (p. 367). Therefore, the feeling of being watched by God might inspire employees to do their job in a perfect manner and motivate them to go above and beyond the call of duty. It is assumed that observance of rituals, remembrance of *Allāh* within the workplace, and following Islamic values and principles such as *Ihsān* “excellence and perfection” will lead to high levels of organisational commitment and greater displays of OCB at the workplace, which, in turn, will influence the overall employee job performance.

4) *Mediation Effect of Organisational Commitment in the Relationship between Islamic Spirituality and OCB (H12)*

Hypothesis (H12) examined the role of organisational commitment in the relationship between Islamic spirituality and OCB. The finding revealed that the relationship between Islamic spirituality and OC, and between OC and OCB were statistically significant with standardised regression weight of ($\beta=.328$, $p <.001$ and $\beta=.471$, $p <.001$) respectively. The direct path between Islamic spirituality and OCB was also significant ($\beta=.296$, $p <.001$). As a result, organisational commitment partially mediated the relationship between the two constructs. The finding of the present study showed that the outstanding of OCB is derived when the practice of spirituality in the workplace such as performing religious rituals and daily-living behaviour that is in line with Islamic rules and principles will lead to enhancing and maintaining high level of organisational commitment, which will ultimately contribute to an increase in employee organisational citizenship behaviour. In the same way, Sadīq (1996) mentioned that adhering to the spiritual values, which include Islamic ethics, such as good manners, sincerity, satisfaction, contentment, modesty, as well as the preservation of human dignity and pride, will lead to an increase in the love displayed among the people and provide support to them. As a

consequence, the feeling of being respected and loved by others might lead to an experience of joy at work and influence employees to be more attached to their organisation. This finding is in line with the previous studies by Ashmos & Duchon (2000), Chawla & Guda (2010) and Suleiman et al. (2012) suggesting that practising spirituality in the workplace would enhance and boost organisational commitment, improves employee and organisational performance, decreases absenteeism and employee turnover rate.

5.3 RESEARCH CONTRIBUTIONS

5.3.1 Theoretical Contributions

The present study enriches and contributes to the literature by proposing an extended framework of previous research in examining transformational leadership, Islamic spirituality and employee performance. Many studies have recommended the inclusion of additional variable such as transformational leadership which considered the key elements in influencing job performance and ultimately; the overall organisational performance and effectiveness (Bass & Avolio, 1995; Gregory Stone et al., 2004; Judge & Piccolo, 2004; Kim, 2013; Kirkman et al., 2009; Limsila & Ogunlana, 2008; Suliman & Al Obaidli, 2013; Toor & Ofori, 2009; Vigoda-Gadot, 2007). However, most of these studies were addressed from Western countries and rarely examined in the context of Muslim organisation. The shortage of testing the transformational leadership in Muslim organisations such as takaful operators suggest that this study contributes to the knowledge and practice of the theory of transformational leadership. The findings of this study validated that transformational leadership is strongly and positively correlated to followers' organisational commitment, OCB and employee performance in the context of Islamic insurance companies. Although the transformational leadership style is

derived from relevant findings based upon predominantly Western research, this study empirically validated the model with a sample of Islamic insurance companies in Malaysia.

Similarly, several studies have been conducted on the concept of spirituality within the workplace and extol the benefits of workplace spirituality within organisations citing a positive outcome and increase in employees' performance levels. However, very few studies have been attempted from the religion perspective (Kamil, Ali Hussain, & Sulaiman, 2011). In other words, most of these researches have been addressed from a Western value system which may not be necessarily familiar with the Islamic perspective of spirituality (Kamil et al., 2011). This research contributes to the literature by investigating spirituality from the Islamic management perspective and enriches the understanding of the Islamic spirituality in the workplace phenomenon and its contribution to the overall development of the modern organisation. It is a commonly held belief that spiritual people have better work attitude (Kutcher et al., 2010; Neck & Milliman, 1994). The findings of this study support this conviction showing clearly that employees who possess and practice Islamic spirituality in the workplace rank higher in organisation commitment, OCB and eventually; in employee performance. This result extended the existing research adding further support for a global dimension of spirituality in the workplace and highlighting the importance of this construct to organisational commitment and OCB on a broader international level.

Moreover, the present study represents one of the first attempts that examined the mediating role of organisational commitment in the relationship between Islamic spirituality and OCB; and the mediating role of OCB in the relation between Islamic spirituality and employee performance. It was evidenced in this study that the

interaction between Islamic spirituality, organisational commitment, OCB and employee performance led to different outcomes, thus; enriching the body of literature and strengthen the empirical research of Islamic spirituality.

5.3.2 Practical Contribution

The present study used SEM analysis to demonstrate a significant relationship between the proposed variables. Practically, the findings of the current study have important contributions to practising managers in the service organisation sector, particularly the takaful industry. By understanding the direct and indirect effect of the key factors used in this study, the result will provide a better understanding of the role of transformational leadership and Islamic spirituality in enhancing employee performance and will be useful to managers and decision-making levels of the takaful industry to enhance and upgrade organisation effectiveness and raising employee productivity. Our findings have implications for managers of takaful operators and other service organisations.

First, the empirical results of this study consistently indicated that transformational leadership practices related to employees' performance positively and significantly. This finding support previous research (Geyery & Steyrer, 1998; MacKenzie, Podsakoff, & Rich, 2001; Parry & Proctor-Thomson, 2003; Yasin Ghadi et al. 2013) on the association between transformational leadership and employee performance. The implication of these findings is that the followers in the takaful agencies support and prefer the practice of transformational leadership. As such, the leaders at takaful agencies should continue to focus on engaging with followers, inspire the followers' enthusiasm, and encourage them to rise to the high moral and ethical standards. Furthermore, to maximise employees' performance and productivity, the leader needs to be attentive to the needs of each follower, and

provide support and mentoring when requested. The leaders also must have the ability to promote creativity and innovation, stimulate the followers to challenge their value system and improve their problem-solving skills.

Second, the study presented strong evidence that transformational leadership is considered a predictor of employee performance as well as followers' organisational commitment and OCB. The implication is that takaful operators may benefit from developing a leadership model for management training and development which can be used for measuring leadership effectiveness. Policy makers such as the Central Bank of Malaysia and MTA should invest money and resources to create a learning environment that would enable leaders to lead their organisation successfully and effectively. Hence, the present study suggests that leadership training should be considered to enhance transformational leadership by focusing on the four aspects of transformational leadership, namely idealised influence (charisma), inspirational motivation, intellectual stimulation and individualised consideration.

Third, the results of the current study clearly indicate the effect of Islamic spirituality in the workplace on organisational commitment and OCB; both constructs that are linked to employee performance. The study suggests introducing spirituality in the workplace and put it into practice as other companies like Microsoft, Intel, and Boeing which offer meditation training, prayers, and supports employees to take time for spiritual performance, Bible and Quranic classes (Altaf and Awan 2011). Organisations need to understand that spirituality at work is about finding an opportunity to express many aspects of one's being, respecting individual values, and daily-living behaviours that are in line with Islamic rules and principles. By understanding these factors, companies will boost loyalty, enhance organisational

commitment, which will ultimately contribute to an increase in employee organisational performance. Ashmos & Duchon (2000) stated that organisations need to look to their employees from different angles and to consider them to be more than just a cost for the organisation. Thus, corporate professionals and executives should support spirituality in the workplace and emphasise on spiritual practices such as lectures and seminars on spirituality, training workshops, forming voluntary prayer groups at the workplace, which will change the attitude of takaful employee positively and help them to cope effectively with life problems, reduce stress, boost loyalty, enhance organisational commitment and increase employee organisational performance.

Fourth, the findings of this study have implications for policy makers and top management in the human resources development of the service organisation sector, particularly the takaful industry. Policy makers and top management can use the empirical findings of this research as a valuable input to justify their efforts in developing, implementing appropriate learning and performance improvement interventions. Adherence to Islamic spirituality values in the workplace and the preservation of human dignity and pride, will lead to an increase in the love displayed among the people and provide support to them. As a consequence, the feeling of being respected and loved by others might lead to an experience of joy at work and influence employees to display more acts of OCB and consequently; increase productivity among employees.

5.3.3 Methodological Contributions

The principal contribution of this study to research methodology lies in the operationalisation of transformational leadership, Islamic spirituality, organisational commitment, OCB and employee performance as latent constructs measured

simultaneously through perceptions by the employees of takaful agencies. This is opposed to frequent practice where these variables were individually measured. Using the SEM technique in the present research allowed the researcher to incorporate and integrate multiple latent constructs in one model and focus more on the theoretical explanation of the constructs rather than prediction purposes. To date, research that empirically examined these constructs in Malaysia is limited. Another contribution of this study to the research methodology is the validation of all measures through confirmatory analysis along with convergent validity and discriminant validity.

5.4 LIMITATIONS

The first limitation of this study is mainly for generalisation of the findings. The data were collected from takaful agents in Klang Valley. The findings may not be applicable to other areas and regions of Malaysia and other sectors or countries. Nevertheless, organisations across sectors and countries who share the same values and culture may benefit from the findings of this study. Another limitation is related to using a survey instrument to measure something as intimate and personal as Islamic spirituality is a challenge in itself. Hence, future research might integrate open-ended questions or interviews to provide an opportunity for participants to express their feelings and to establish a more welcoming and trusting setting for data gathering. Furthermore, this research used cross-sectional study whereby the collection of data was done once at a given period. Thus, future studies are encouraged to undertake experimental and longitudinal research to avoid the issue of causation, improve the authenticity of the constructs to provide a better understanding of the dynamic relationships between variables.

5.5 DIRECTION FOR FUTURE RESEARCH

Future research should investigate the effect of Islamic spirituality and the role of transformation leadership in improving employees' performance as well as raising employee productivities. Managers and supervisors of takaful and other service organisations are recommended to enhance transformation leadership by focusing on its four aspects. Besides that, corporate professionals and executives should support spirituality in the workplace and emphasise spiritual practices such as lecturers and seminar on spirituality as well as training workshops which will help employees to cope effectively with a life problem, reduce stress, boost loyalty and enhance employee organisational performance. The following are recommendations proposed for future research:

1. Future studies should be carried out to extend the examination of Islamic spirituality and employee performance through replicating the study and validating the result using data from other countries to see if the model support the relationship between Islamic spirituality and employee performance.
2. It is recommended that future research utilising the instrument by Kamil (2011) might want to consider other context and service industries, like healthcare, universities, bank, etc. This will validate the instruments of Islamic spirituality and make it more robust through testing its reliability and validity.
3. This study focuses on the relationship between transformational leadership, Islamic spirituality, organisational commitment, OCB, and employee performance. As such, future research should include other variables which may have potential in influencing the relationship between these variables.

For instance, this study does not measure factors such as organisational culture and climate that should be considered in future research.

4. Future research would also benefit from different data gathering like interviews to provide an opportunity for participants to express their feelings and establish a more comforting environment than a survey.
5. This study used peer performance rating whereby performance measurement was rated by employees' peers and their co-workers' assessment through asking each employee to rate the performance of his/her closest colleague in the company. Future research is encouraged to use the external measure to assess employee performance and eliminate the issue of the unconscious self-bias respondent (e.g. supervisor or manager rating).

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2. Grine, F., Fares, D., & Meguellati, A. (2015). "Islamic spirituality and entrepreneurship: A case study of women entrepreneurs in Malaysia". *The Journal of Happiness & Well-Being*, 3(1), 41-56. (**Published**)
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4. Fares, D., & Noordin, K. B. (2016). The Impact of Workplace Spirituality on Organizational commitment: A Case Study of Takaful Agents in Malaysia. *Journal of Contemporary Issues in Islamic Studies for Global Well-being. Humanomics*. (**Under review**). (**SCOPUS**).
5. Fares, D., & Noordin, K. B. (2017). The Measurement Model of Performance Determinants: A Case Study of Takaful Agents in Malaysia. *Journal of Contemporary Issues in Islamic Studies for Global Well-being. Humanomics*. (**Under review**). (**SCOPUS**).

Conference paper:

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Chapter in book:

1. Noordin, K., & Fares, D. (2016). Issues and Challenges in Introducing Islamic Insurance (Takaful) into the Algerian Financial Market: Lessons from Malaysia. Published in Contemporary Issues and Development in the Global Halal Industry (pp. 359-369). Springer Singapore.

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