

Transformational Leadership and Islamic Work Ethics in Enhancing Civil Servant Performance

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ABSTRACT

Purpose – This study investigates how transformational leadership and Islamic work ethics (IWE) are associated with civil servants' performance, both directly and through job satisfaction, in Southwestern Aceh, Indonesia, where public administration operates under Aceh's *lex specialis* framework.

Design/methodology/approach – Data were obtained through a cross-sectional survey of 400 civil servants in eight administrative areas. Quotas were assigned in proportion to each area's civil servant population, and eligible participants were then selected purposively. The data were analyzed using partial least squares structural equation modeling (PLS-SEM), with bias-corrected and accelerated bootstrapping to assess statistical significance.

Findings – Transformational leadership was positively associated with job satisfaction ($\beta = 0.361$; 95% CI [0.234, 0.481]) but not directly associated with employee performance ($\beta = 0.085$; 95% CI [-0.039, 0.199]). Its indirect association with performance through job satisfaction was significant ($\beta = 0.138$; 95% CI [0.075, 0.223]), indicating an indirect-only statistical mediation pattern. IWE was positively associated with job satisfaction ($\beta = 0.354$; 95% CI [0.205, 0.498]) and employee performance ($\beta = 0.407$; 95% CI [0.201, 0.591]). Its indirect association with performance was also significant ($\beta = 0.135$; 95% CI [0.060, 0.251]), indicating complementary statistical mediation.

Originality/value – The study demonstrates the contextual relevance of incorporating IWE alongside transformational leadership when examining civil servant performance. It also identifies job satisfaction as a statistically relevant intervening variable, although the cross-sectional design does not establish causal mediation.

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1. Introduction

This study investigates how transformational leadership and Islamic work ethics relate to job satisfaction and civil servants' performance, both directly and indirectly, across public institutions in eight administrative areas of Southwestern Aceh. The region provides a distinctive institutional setting because Aceh's *lex specialis* status permits the formal implementation of Islamic law in public governance and social life (Ibrahim, 2022; Nurrahmi, 2018). Within this setting, civil servants are expected to fulfil their administrative and professional responsibilities while observing principles of integrity, justice, accountability, and social responsibility. Transformational leadership is relevant because it emphasizes leaders' capacity to inspire, motivate, intellectually stimulate, and empower employees to pursue collective organizational objectives (Chen et al., 2016). In Aceh's public administration, however, the relevance of transformational leadership may also depend on its alignment with Islamic ethical values that emphasize justice, integrity, empathy, and responsibility toward others (Nurrahmi, 2018). Accordingly, this study examines job satisfaction as an intervening variable in the relationship between transformational leadership and Islamic Work Ethics with civil servant performance.

In Southwestern Aceh, Islamic principles are embedded in the daily work culture of public institutions, where Islamic Work Ethics reflected in integrity, accountability, diligence, and obedience to ethical obligations constitute important standards of civil servant conduct. This study examines job satisfaction as a mediator in the relationships among transformational leadership, Islamic work ethics, and employee performance. The model assumes that employees who view their work, workplace, and employment experiences positively are more likely to be motivated and committed, which may contribute to stronger task performance (Dinc et al., 2018; Solimun & Fernandes, 2017). By assessing direct effects alongside those mediated by job satisfaction, this study examines whether transformational leadership and Islamic work ethics are associated with civil servants' performance directly or through more favorable attitudes toward work.

Government institutions in Southwestern Aceh encounter difficulties stemming from adverse public impressions of service quality, insufficient work discipline, and weak adherence to cultural values. Sanctions imposed on civil servants who breach regulations, observed at both national and local levels, underscore the significance of upholding work discipline (Desmond et al., 2023). This research's insights may enhance the incorporation of religious beliefs into public administration (Asutay et al., 2022; Bal & Kökalan, 2021) and foster the creation of policies and managerial practices that better correspond with the cultural context and local values in Aceh.

Islamic Work Ethics (IWE) constitute a conceptual framework that incorporates Islamic workplace values, including honesty, accountability, dedication, and obedience (Ali & Al-Aali, 2015; Ali & Al-Kazemi, 2007; Asutay et al., 2022). In Aceh, where Islamic law is formally implemented, these values are reflected in the prevailing work culture. The application of *lex specialis* provides a specific legal foundation for the implementation of Islamic Sharia and influences social and professional conduct, particularly among civil servants. Civil servants working in regency and municipal secretariats across Southwestern Aceh are expected to reflect these ethical values in carrying out their daily responsibilities, which may subsequently influence their job satisfaction and performance. In this context, Sharia principles provide a moral and ethical framework that emphasizes professional responsibility and socially

accountable conduct. The study examines whether job satisfaction helps explain the relationships among transformational leadership, Islamic work ethics, and employee performance. Employees who are satisfied with their jobs may be more motivated and committed to fulfilling their responsibilities.

2. Literature Review and Hypothesis Development

2.1 Main Concepts and Proposed Relationships

Transformational leadership refers to leadership practices that communicate a shared purpose, encourage employees to reconsider established approaches, and support their development. Its four commonly identified dimensions are idealised influence, inspirational motivation, intellectual stimulation, and individualised consideration (Avolio & Bass, 1995; Bass, 1985, 1999). These dimensions describe different ways in which leaders may shape employees' experience of work. A leader may provide direction through a shared vision, encourage new approaches to assigned tasks, or respond to individual employees' needs. The dimensions therefore offer a conceptual basis for examining both job satisfaction and performance.

Job satisfaction concerns employees' evaluations of their work and employment experiences. Employees may evaluate their jobs more favorably when they understand what is expected of them, receive support in addressing difficulties, and believe their contributions are recognised. Transformational leadership may be associated with these experiences because it emphasises communication, encouragement, and individual consideration. The proposed relationship is relevant to civil servants, whose work occurs within formal administrative structures but also involves regular interaction with supervisors. Whether leadership is associated with satisfaction in this setting remains an empirical question.

Employee performance refers to how effectively individuals fulfil their work responsibilities. For civil servants, those responsibilities may include completing assigned tasks, meeting administrative requirements, and contributing to public service. Transformational leadership could be associated with performance if clear direction helps employees establish priorities or if intellectual stimulation encourages improvements in their work. Nevertheless, performance also depends on duties, procedures, and resources that may lie beyond a leader's immediate influence. The model therefore examines a direct association between leadership and performance without treating improved performance as an inevitable result of leadership practices.

Job satisfaction provides a further possible link between leadership and performance. Employees who perceive encouragement and support from their leaders may report greater satisfaction; those who are more satisfied may also report stronger performance. This proposed indirect pathway differs from the direct leadership–performance relationship. Examining both allows the study to assess whether leadership is associated with performance after including satisfaction in the model and whether a separate statistical association operates through satisfaction. Because the data were collected at one point in time, the pathway cannot establish the order in which changes in leadership perceptions, satisfaction, and performance occurred.

Islamic work ethics (IWE) constitutes the second main concept. It refers to a work orientation emphasising diligence, honesty, accountability, cooperation, and responsibility toward others

(Ali & Al-Kazemi, 2007; Chanzanagh & Akbarnejad, 2011) . These principles concern the way employees understand their duties and conduct themselves at work. In the present study, IWE is measured through employees' reported orientations rather than inferred from their institution's religious character. This distinction matters: working within a setting where Islamic values are significant does not mean that every employee holds or applies those values to the same degree.

IWE may be associated with job satisfaction when employees view their duties as consistent with their ethical commitments. Diligence and responsibility may give work purpose, while cooperation may shape daily interactions with colleagues. IWE may also be associated with performance through attention to assigned tasks and accountable conduct. These are conceptually distinct relationships. Employees can evaluate their jobs positively without necessarily reporting stronger performance, and ethical conduct may be related to performance through routes other than satisfaction. The proposed model therefore includes both direct and indirect associations between IWE and performance.

2.2 Findings from Previous and Recent Studies

Empirical research supports examining transformational leadership and job satisfaction together. Puni et al. (2018) investigated leadership and satisfaction while considering contingent reward. Kammerhoff et al. (2019) examined how followers' perceptions of transformational leadership related to job satisfaction and performance through workplace conflict. These studies indicate that leadership practices shape employees' work experiences and that these relationships can involve other workplace factors. Their findings support a positive leadership–satisfaction hypothesis, but they do not determine the result in a civil-service sample.

More recent studies have continued to examine performance alongside leadership and employee attitudes. Hilton et al. (2023) considered job satisfaction in the relationship between dimensions of transformational leadership and organisational performance. Kwarteng et al. (2024) examined transformational leadership in a model involving employee recognition, engagement, and productivity. These studies are useful for the present research because they place performance within a set of related workplace experiences. They also suggest estimating a direct leadership–performance relationship alongside a pathway involving job satisfaction, rather than treating satisfaction only as an additional outcome.

Eliyana et al. (2019) examined job satisfaction and organisational commitment in a model relating transformational leadership to employee performance. Their work is relevant to the proposed indirect pathway, although including commitment means their model is not identical to the one tested here. Siengthai and Pila-Ngarm (2016) reported a relationship between job satisfaction and employee performance in their examination of job redesign. Together, these studies provide empirical grounds for testing whether satisfaction is associated with performance and whether it forms part of the estimated relationship between leadership and performance.

Research on IWE also links ethical work orientation to employee outcomes. Hayati and Caniago (2012) examined IWE alongside intrinsic motivation, job satisfaction, organisational commitment, and job performance. Their study is pertinent because it includes the three constructs central to the proposed IWE pathway. Asutay et al. (2022) subsequently investigated Islamic spirituality and work attitudes, including job satisfaction and

organisational commitment. These studies support the relevance of Islamic ethical and spiritual concepts to employees' evaluations of work. However, their distinct models and settings leave the proposed IWE–satisfaction–performance pathway to be assessed in the present sample.

Two recent studies sharpen the position of this research. Sahabuddin et al. (2024) examined IWE and Indonesian civil servants' performance with work engagement as a mediating variable. Their study suggests that neither the IWE performance relationship nor its examination among civil servants is entirely new. Aceh et al. (2024) examined Islamic leadership, work ethic, job satisfaction, and teacher performance in madrasah. Although they reported positive direct relationships, they did not find a significant indirect relationship between IWE and performance through job satisfaction. That finding cautions against assuming that a proposed satisfaction pathway will be supported in every setting.

These studies also clarify what remains to be examined. Sahabuddin et al. (2024) focused on work engagement as the intermediary between IWE and performance. Aceh et al. (2024) included job satisfaction but studied teachers and Islamic leadership. The present study instead examines civil servants in Southwestern Aceh and includes transformational leadership and IWE as separate predictors in the same model. Prior evidence informs the hypotheses, while differences in the intermediary variable, leadership construct, and institutional setting justify testing the proposed relationships rather than importing conclusions from earlier studies.

2.3 Position and Distinct Contribution of the Present Study

This study contributes by combining these constructs and comparing their estimated pathways. It assesses whether transformational leadership and IWE are associated with civil servants' performance directly and whether each has an indirect association through job satisfaction. Estimating the relationships in one model permits a comparison within the same group of respondents and under the same measurement approach. The research can therefore describe whether leadership practices and ethical work orientation display similar or different patterns of association with satisfaction and performance.

The setting also provides a specific institutional context for the comparison. The study covers civil servants across eight administrative areas of Southwestern Aceh, where Islamic ethical values are relevant to public administration. This context makes IWE pertinent, but it does not establish that IWE will have a stronger relationship with performance than transformational leadership. Likewise, including transformational leadership does not imply that leadership practices function identically across public and private organisations. The contribution lies in testing the specified relationships in this setting and interpreting the results considering earlier studies.

The proposed model includes seven hypotheses:

H1: Transformational leadership is positively associated with job satisfaction.

H2: Transformational leadership is positively associated with employee performance.

H3: Job satisfaction mediates the relationship between transformational leadership and employee performance.

H4: Islamic work ethics are positively associated with job satisfaction.

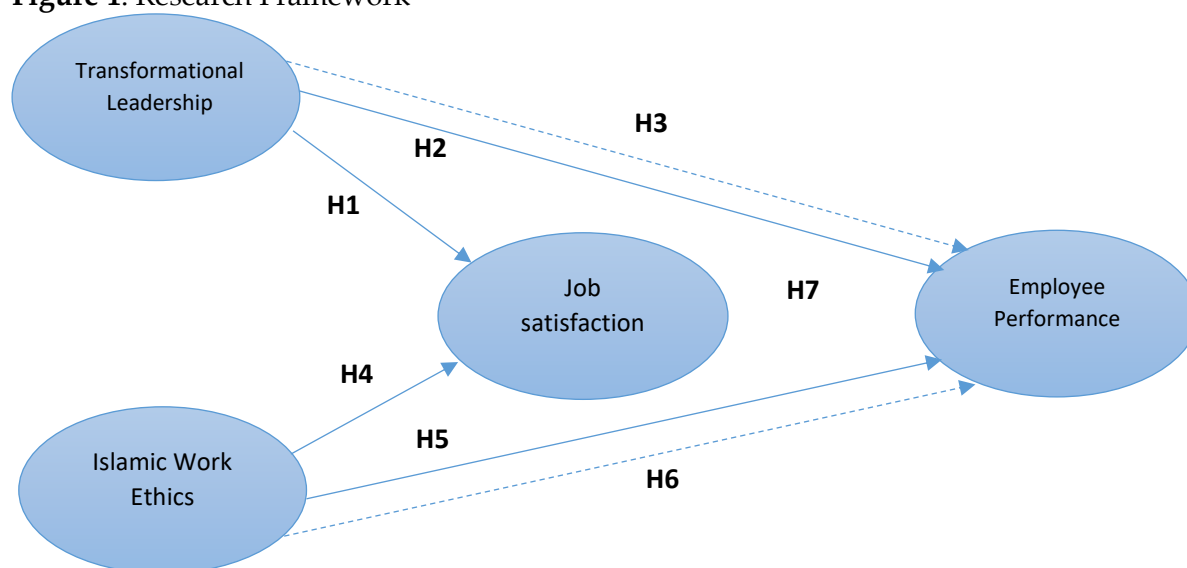
H5: Islamic work ethics are positively associated with employee performance.

H6: Job satisfaction mediates the relationship between Islamic work ethics and employee performance.

H7: Job satisfaction is positively associated with employee performance.

The two mediation hypotheses concern statistical indirect relationships. A significant indirect association would show that the variables follow the proposed pattern in the estimated model; it would not demonstrate that leadership or IWE first changed job satisfaction and subsequently changed performance. The survey's cross-sectional design cannot establish that temporal sequence. Framing the hypotheses and contribution in terms of associations keeps the interpretation consistent with the evidence the study can provide. Figure 1 presents the conceptual model developed from the preceding theoretical discussion.

Figure 1. Research Framework



3. Methodology

A cross-sectional survey was conducted using a structured questionnaire. Between January and March 2025, data were collected from active civil servants in regency and municipal government institutions across eight administrative areas of Southwestern Aceh. Participants were eligible if they had worked at their institution for at least one year, were assigned to a designated study location, and agreed to participate voluntarily. The study population comprised 28,613 civil servants. The minimum sample size was determined using Yamane's (1967) finite-population formula with a 5% margin of error, resulting in 395 respondents. This number was increased to 400 to ensure adequate representation. Sample quotas were proportionately allocated according to the civil servant population of each regency and municipality, after which eligible respondents were selected purposively. Coordinators designated by the participating institutions distributed the paper questionnaires. All 400 were returned with complete responses and included in the final analysis.

3.1 Measurement Instruments

The structured questionnaire initially comprised 54 items measuring four constructs. Transformational leadership was measured using 21 items developed from the dimensions proposed Avolio and Bass, (1995) and Bass (1985). Islamic Work Ethics was measured using six items informed by the validated IWE frameworks of (Ali & Al-Kazemi, 2007;

Chandrasekara, 2019) . Job satisfaction was assessed using 11 items adapted from Hayati and Caniago (2012) , while employee performance was measured using 16 items based on the performance dimensions discussed by Vuong and Nguyen (2022) . Respondents rated each item on a five-point Likert scale, from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was translated into Indonesian and adapted to the institutional and cultural setting of civil servants in Southwestern Aceh. Because no separate pilot test was conducted, the instruments' psychometric properties were assessed using data from the full study sample.

3.2 Data Analysis

The data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) in SmartPLS 3 (Ringle et al., 2015). The PLS algorithm was estimated using the path-weighting scheme, standardized data with a mean of zero and variance of one, initial weights of 1.0, a maximum of 300 iterations, and a stop criterion of (10^{-7}) . The analysis began by assessing the measurement model. Outer loadings, Cronbach's alpha, rho_A, composite reliability, average variance extracted (AVE), and the heterotrait-monotrait ratio (HTMT) were examined. Indicators with inadequate loadings were removed sequentially, with the model re-estimated after each removal. Second, the structural model was assessed using inner variance inflation factors (VIF), coefficients of determination (R^2 and adjusted R^2), effect sizes (f^2), standardized path coefficients, t-statistics, p-values, mediation effects, and predictive relevance (Q^2). Statistical significance was evaluated using a two-tailed bias-corrected and accelerated (BCa) bootstrap procedure with 2,000 subsamples and a 5% significance level. Predictive relevance was assessed through blindfolding with an omission distance of seven

4. Results and Discussion

4.1 Measurement Model Assessment

The final measurement model from SmartPLS Run 3, following the sequential removal of indicators with inadequate loadings, presents the retained indicators and their outer loadings for four constructs: Islamic Work Ethics (five indicators), Job Satisfaction (five), Employee Performance (ten), and Transformational Leadership (five). The loadings range from 0.702 to 0.865, matching those reported in Table 2. Tables 3 and 4 present the results for construct reliability, convergent validity, and discriminant validity.

Table 1. Initial Outer Loadings and Indicator Retention Decisions

Construct	Indicator	Initial Outer Loading	Decision
Islamic Work Ethics	IWE1	0.691	Removed
Islamic Work Ethics	IWE2	0.797	Retained
Islamic Work Ethics	IWE3	0.838	Retained
Islamic Work Ethics	IWE4	0.818	Retained
Islamic Work Ethics	IWE5	0.851	Retained
Islamic Work Ethics	IWE6	0.825	Retained
Job Satisfaction	JS1	0.746	Retained
Job Satisfaction	JS2	0.685	Removed
Job Satisfaction	JS3	0.574	Removed

Construct	Indicator	Initial Outer Loading	Decision
Job Satisfaction	JS4	0.603	Removed
Job Satisfaction	JS5	0.597	Removed
Job Satisfaction	JS6	0.616	Removed
Job Satisfaction	JS7	0.440	Removed
Job Satisfaction	JS8	0.791	Retained
Job Satisfaction	JS9	0.746	Retained
Job Satisfaction	JS10	0.776	Retained
Job Satisfaction	JS11	0.775	Retained
Employee Performance	Perf1	0.623	Removed
Employee Performance	Perf2	0.716	Retained
Employee Performance	Perf3	0.730	Retained
Employee Performance	Perf4	0.734	Retained
Employee Performance	Perf5	0.817	Retained
Employee Performance	Perf6	0.815	Retained
Employee Performance	Perf7	0.747	Retained
Employee Performance	Perf8	0.715	Removed
Employee Performance	Perf9	0.667	Removed
Employee Performance	Perf10	0.656	Removed
Employee Performance	Perf11	0.757	Retained
Employee Performance	Perf12	0.634	Removed
Employee Performance	Perf13	0.592	Removed
Employee Performance	Perf14	0.835	Retained
Employee Performance	Perf15	0.717	Retained
Employee Performance	Perf16	0.703	Retained
Transformational Leadership	TL1	0.326	Removed
Transformational Leadership	TL2	0.317	Removed
Transformational Leadership	TL3	0.312	Removed
Transformational Leadership	TL4	0.360	Removed
Transformational Leadership	TL5	0.400	Removed
Transformational Leadership	TL6	0.430	Removed
Transformational Leadership	TL7	0.431	Removed
Transformational Leadership	TL8	0.456	Removed
Transformational Leadership	TL9	0.455	Removed
Transformational Leadership	TL10	0.314	Removed

Construct	Indicator	Initial Outer Loading	Decision
Transformational Leadership	TL11	0.402	Removed
Transformational Leadership	TL12	0.440	Removed
Transformational Leadership	TL13	0.721	Retained
Transformational Leadership	TL14	0.655	Removed
Transformational Leadership	TL15	0.696	Removed
Transformational Leadership	TL16	0.730	Retained
Transformational Leadership	TL17	0.729	Retained
Transformational Leadership	TL18	0.668	Removed
Transformational Leadership	TL19	0.757	Retained
Transformational Leadership	TL20	0.703	Retained
Transformational Leadership	TL21	0.681	Removed

Note: IWE = Islamic Work Ethics; JS = Job Satisfaction; Perf = Employee Performance; TL = Transformational Leadership. Indicators were retained in the final measurement model when they satisfied the required indicator-reliability criteria following model re-estimation.

The initial assessment showed variation in indicator reliability. Indicators with outer loadings below 0.70 were considered for removal, and the model was re-estimated after each elimination stage. Perf8 initially loaded at 0.715, but its loading fell to 0.678 after the first re-estimation. It was therefore excluded from the final model. The decisions reported in Table 1 reflect this iterative assessment, rather than the initial loadings alone. After indicator removal and model re-estimation, the retained outer loadings ranged from 0.702 to 0.865. As Table 2 shows, each exceeded 0.70, indicating satisfactory indicator reliability (Hair et al., 2022).

Table 2. Final Outer Loadings After Indicator Elimination

Construct	Indicator	Final Outer Loading
Islamic Work Ethics	IWE2	0.789
Islamic Work Ethics	IWE3	0.842
Islamic Work Ethics	IWE4	0.815
Islamic Work Ethics	IWE5	0.865
Islamic Work Ethics	IWE6	0.840
Job Satisfaction	JS1	0.790
Job Satisfaction	JS8	0.865
Job Satisfaction	JS9	0.806
Job Satisfaction	JS10	0.854
Job Satisfaction	JS11	0.817
Employee Performance	Perf2	0.728
Employee Performance	Perf3	0.749
Employee Performance	Perf4	0.737

Construct	Indicator	Final Outer Loading
Employee Performance	Perf5	0.844
Employee Performance	Perf6	0.851
Employee Performance	Perf7	0.750
Employee Performance	Perf11	0.710
Employee Performance	Perf14	0.850
Employee Performance	Perf15	0.755
Employee Performance	Perf16	0.758
Transformational Leadership	TL13	0.767
Transformational Leadership	TL16	0.787
Transformational Leadership	TL17	0.799
Transformational Leadership	TL19	0.772
Transformational Leadership	TL20	0.702

Following indicator elimination and model re-estimation, the final outer loadings ranged from 0.702 to 0.865. All retained indicators exceeded the minimum threshold of 0.70 and therefore demonstrated satisfactory indicator reliability (Hair et al., 2022). The final model retained five of the 21 original transformational leadership indicators: TL13, TL16, TL17, TL19, and TL20. Each met the outer-loading criterion, but the removal of most items raises concerns about the construct's content validity. The available measurement results do not establish whether the retained items adequately represent all four dimensions of transformational leadership. Accordingly, relationships involving this construct should be interpreted as reflecting the retained items within this sample, rather than the full scope of transformational leadership. Future studies should use a culturally validated scale with balanced coverage of its theoretical dimensions

4.2 Construct Reliability and Convergent Validity

Table 3 reports the reliability and convergent validity results for the final measurement model. Cronbach's alpha ranged from 0.824 to 0.925, rho_A from 0.829 to 0.930, and composite reliability from 0.876 to 0.937. All values exceeded 0.70. Average variance extracted (AVE) ranged from 0.587 to 0.690, above the 0.50 threshold. These results support the internal consistency reliability and convergent validity of the four constructs (Hair et al., 2022)

Table 3. Construct Reliability and Convergent Validity

Construct	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Islamic Work Ethics	0.889	0.900	0.917	0.690
Job Satisfaction	0.884	0.886	0.915	0.684
Employee Performance	0.925	0.930	0.937	0.600
Transformational Leadership	0.824	0.829	0.876	0.587

Note: rho_A = Dijkstra-Henseler's reliability coefficient; AVE = Average Variance Extracted. Values were obtained from the final PLS-SEM algorithm (Run 3).

Discriminant validity was examined using the heterotrait–monotrait ratio (HTMT). The values in Table 4 ranged from 0.559 to 0.706, all below the conservative cutoff of 0.85. These results support the empirical distinction among the four constructs (Hair et al., 2022).

Table 4. Heterotrait-Monotrait Ratio (HTMT)

Construct	IWE	JS	Perf	TL
Islamic Work Ethics (IWE)	-			
Job Satisfaction (JS)	0.583	-		
Employee Performance (Perf)	0.706	0.705	-	
Transformational Leadership (TL)	0.568	0.623	0.559	-

Note: IWE = Islamic Work Ethics; JS = Job Satisfaction; Perf = Employee Performance; TL = Transformational Leadership. Values were obtained from the final PLS-SEM algorithm (Run 3).

4.3 Structural Model Assessment

Before testing the proposed relationships, the structural model was assessed for collinearity and explanatory power. Inner VIF values ranged from 1.312 to 1.614, indicating no substantial collinearity among the predictor constructs. As reported in Table 5, transformational leadership and Islamic work ethics accounted for 38.0% of the variance in job satisfaction. When job satisfaction was included alongside these two predictors, the model accounted for 55.4% of the variance in employee performance. The adjusted R^2 values were close to the corresponding R^2 values, indicating that the explanatory results were not substantially inflated by the number of predictors.

Table 5. Coefficients of Determination

Endogenous Construct	R^2	Adjusted R^2	Variance Explained
Job Satisfaction	0.380	0.377	38.0%
Employee Performance	0.554	0.550	55.4%

Table 6 presents the inner VIF and f^2 values for the direct paths. Islamic work ethics and transformational leadership each had a medium effect on job satisfaction. Islamic work ethics and job satisfaction also had medium effects on employee performance, whereas transformational leadership had a negligible direct effect on employee performance.

Table 6. Inner Collinearity and Effect Sizes

Relationship	Inner VIF	f^2	Effect-Size Interpretation
IWE → JS	1.312	0.154	Medium
TL → JS	1.312	0.161	Medium
IWE → Perf	1.514	0.245	Medium
JS → Perf	1.614	0.203	Medium
TL → Perf	1.523	0.011	Negligible

Note: f^2 values of approximately 0.02, 0.15, and 0.35 indicate small, medium, and large effects, respectively. IWE = Islamic Work Ethics; JS = Job Satisfaction; Perf = Employee Performance; TL = Transformational Leadership.

4.4 Hypothesis Testing

The significance of the structural relationships was evaluated using BCa bootstrapping with 2,000 subsamples. Table 7 shows that six of the seven hypotheses were supported.

Transformational leadership had a significant positive effect on job satisfaction ($\beta = 0.361$, $t = 5.657$, $p < 0.001$), supporting H1. However, its direct effect on employee performance was not statistically significant ($\beta = 0.085$, $t = 1.394$, $p = 0.164$), and H2 was therefore not supported. Islamic Work Ethics had significant positive effects on job satisfaction ($\beta = 0.354$, $t = 4.743$, $p < 0.001$) and employee performance ($\beta = 0.407$, $t = 4.137$, $p < 0.001$), supporting H4 and H5. Job satisfaction also had a significant positive effect on employee performance ($\beta = 0.383$, $t = 4.022$, $p < 0.001$), supporting H7. The indirect effects of transformational leadership ($\beta = 0.138$, $t = 3.699$, $p < 0.001$) and Islamic Work Ethics ($\beta = 0.135$, $t = 2.809$, $p = 0.005$) on employee performance through job satisfaction were statistically significant, supporting H3 and H6.

Table 7. Hypothesis-Testing Results

Hyp.	Relationship	Beta	t	p	BC 95% CI	Decision
H1	TL -> JS	0.361	5.657	<0.001	[0.234, 0.481]	Supported
H2	TL -> Perf	0.085	1.394	0.164	[-0.039, 0.199]	Not supported
H3	TL -> JS -> Perf	0.138	3.699	<0.001	[0.075, 0.223]	Supported
H4	IWE -> JS	0.354	4.743	<0.001	[0.205, 0.498]	Supported
H5	IWE -> Perf	0.407	4.137	<0.001	[0.201, 0.591]	Supported
H6	IWE -> JS -> Perf	0.135	2.809	0.005	[0.060, 0.251]	Supported
H7	JS -> Perf	0.383	4.022	<0.001	[0.201, 0.580]	Supported

Note: Beta = standardized path coefficient; BC 95% CI = bias-corrected 95% bootstrap confidence interval based on 2,000 subsamples. TL = Transformational Leadership; IWE = Islamic Work Ethics; JS = Job Satisfaction; Perf = Employee Performance.

4.5 Mediation Assessment

Table 8 reports the mediation results. The indirect effect was assessed using the bias-corrected and accelerated (BCa) bootstrap confidence interval, while the corresponding direct effect was used to classify the observed pattern. Transformational leadership showed a positive indirect association with employee performance through job satisfaction ($\beta = 0.138$, 95% CI [0.075, 0.223]). Its direct association was not statistically significant ($\beta = 0.085$, 95% CI [-0.039, 0.199]), yielding an *indirect-only* mediation pattern. For Islamic work ethics, both the indirect association through job satisfaction ($\beta = 0.135$, 95% CI [0.060, 0.251]) and the direct association with employee performance ($\beta = 0.407$, 95% CI [0.201, 0.591]) were positive and statistically significant. This is consistent with a *complementary* mediation pattern. These terms describe statistical relationships in a cross-sectional model. Because all variables were measured in a single survey wave, the results cannot establish temporal order or causal mediation

Table 8. Direct, Indirect, and Total Effects

Mediated Relationship	Direct Effect [BCa 95% CI]	Indirect Effect [BCa 95% CI]	Total Effect [BCa 95% CI]	Conclusion
TL → JS → Perf	0.085 [-0.039, 0.199]	0.138 [0.075, 0.223]	0.224 [0.070, 0.369]	Full mediation
IWE → JS → Perf	0.407 [0.201, 0.591]	0.135 [0.060, 0.251]	0.543 [0.391, 0.683]	Partial mediation

Note: Values in brackets are BCa 95% bootstrap confidence intervals based on 2,000 subsamples.

The mediation analysis identified distinct patterns for the two predictors. Transformational leadership was positively associated with employee performance through job satisfaction, whereas its direct association was not statistically significant after job satisfaction was included. This is consistent with an indirect-only mediation pattern in the estimated model. Islamic work ethics showed both a positive direct association with performance and a positive indirect association through job satisfaction. The indirect path is consistent with the proposed mediating role of job satisfaction; the direct path suggests that IWE may also relate to performance through other pathways. Because the data were collected in a single survey wave, these findings establish statistical associations, not causal mechanisms.

4.6 Predictive Relevance

Predictive relevance was evaluated using the Stone–Geisser Q^2 statistic obtained through blindfolding with an omission distance of seven. The Q^2 values were calculated only for the endogenous constructs. As presented in Table 9, the Q^2 value was 0.255 for job satisfaction and 0.327 for employee performance. Both values were greater than zero and indicated moderate predictive relevance. These results demonstrate that the model had an adequate capacity to predict job satisfaction and employee performance within the study sample and context (Hair et al., 2022).

Table 9. Construct Cross-Validated Redundancy

Construct	SSO	SSE	Q^2	Interpretation
Islamic Work Ethics	2000.000	2000.000	-	Exogenous construct
Job Satisfaction	2000.000	1490.567	0.255	Moderate predictive relevance
Employee Performance	4000.000	2693.976	0.327	Moderate predictive relevance
Transformational Leadership	2000.000	2000.000	-	Exogenous construct

Note: SSO = sum of squared observations; SSE = sum of squared prediction errors; Q^2 = Stone-Geisser's predictive relevance. Q^2 values are reported only for endogenous constructs.

The Q^2 values were 0.255 for job satisfaction and 0.327 for employee performance. Both values were greater than zero and indicated moderate predictive relevance for the endogenous constructs. These results demonstrate that the model had an adequate capacity to predict job satisfaction and employee performance within the study sample and context (Hair et al., 2022).

Discussion

The positive association between transformational leadership and job satisfaction suggests that civil servants report greater satisfaction when they perceive their leaders as providing clear direction, recognizing their contributions, and supporting their professional development. Inspirational leadership and attention to individual needs may therefore help shape more favorable attitudes toward work. This finding is consistent with the transformational leadership framework developed and which emphasizes idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration (Avolio & Bass, 1995; Bass, 1985, 1999). It also supports previous empirical studies showing that transformational leadership enhances job satisfaction by creating a supportive work

environment and strengthening employees' intrinsic motivation (Eliyana et al., 2019; Munir et al., 2012). The present finding extends this argument to civil servants in Southwestern Aceh, demonstrating that transformational leadership remains relevant for improving employee attitudes within a public-sector environment shaped by administrative and Islamic values.

After job satisfaction was included in the structural model, the direct association between transformational leadership and employee performance was not statistically significant. In this sample, the data therefore do not support a direct relationship independent of job satisfaction. This result does not rule out such a relationship in other settings, but it differs from studies that have reported a significant direct association (Kammerhoff et al., 2019; Kwarteng et al., 2024), but it is consistent with research suggesting that the leadership–performance relationship may depend on intervening employee attitudes, including job satisfaction and organizational commitment (Chandrasekara, 2019; Eliyana et al., 2019). In a public bureaucracy, employee performance is also shaped by formal responsibilities, administrative procedures, and established institutional rules. Consequently, inspirational leadership alone may not immediately alter performance unless employees first respond to that leadership through more positive evaluations of their work.

The significant indirect association through job satisfaction helps explain the relationship between transformational leadership and employee performance in the estimated model. Civil servants who perceive greater encouragement, recognition, intellectual support, and individual attention from their leaders may feel more satisfied with their work. Greater satisfaction, in turn, is associated with stronger performance. Because the data were collected at one point in time, this pattern should be interpreted as an association rather than a confirmed sequence of effects (Avolio & Bass, 1995; Rasool et al., 2020). The significant indirect association, alongside a nonsignificant direct association, is consistent with an indirect-only mediation pattern in this model. It suggests that job satisfaction may help explain how transformational leadership relates to employee performance. Because the data are cross-sectional, the result does not establish that job satisfaction fully transmits a causal effect or that leadership necessarily leads to higher performance.

Islamic work ethics (IWE) showed significant positive associations with both job satisfaction and employee performance. These findings are consistent with the view that values such as honesty, responsibility, diligence, cooperation, and concern for collective welfare are relevant to civil servants' work attitudes and performance. The results are consistent with Hayati & Caniago (2012), who found that IWE enhances intrinsic motivation, job satisfaction, and employee performance, as well as with (Asutay et al., 2022; Raza et al., 2020), who emphasized the role of Islamic ethical principles in encouraging responsible workplace behavior. This association may be especially relevant in Southwestern Aceh, where Islamic values shape the social and institutional context. Civil servants may view Islamic work ethics as both personal moral principles and standards of professional conduct that align with their public duties.

The different patterns associated with Islamic Work Ethics and transformational leadership suggest that ethical values may be more closely aligned with the everyday responsibilities of civil servants in Southwestern Aceh, whereas transformational leadership may require employees' positive work evaluations before being reflected in performance. IWE emphasizes diligence, accountability, integrity, cooperation, and responsibility toward collective welfare, which may provide a culturally meaningful framework for interpreting and performing

administrative duties (Asutay et al., 2022; Hayati & Caniago, 2012) . Transformational leadership remains relevant for creating direction, encouragement, and developmental support, but its association with performance may depend on whether employees experience greater satisfaction with their work. This interpretation does not establish that IWE is universally superior to transformational leadership; rather, it indicates that the two constructs may operate through different association patterns within this institutional context. In Sharia-influenced public administration, leadership-based explanations of performance may therefore benefit from being considered alongside culturally embedded ethical values and employees' subjective work experiences. These interpretations are specific to the study context and should not be taken as evidence of a causal mechanism.

The indirect association between Islamic work ethics (IWE) and employee performance through job satisfaction was statistically significant. The direct association also remained significant and positive, consistent with a complementary mediation pattern. Thus, the estimated model suggests that IWE relates to performance both directly and through job satisfaction. Responsible conduct and diligence may help explain the direct association, but the cross-sectional data cannot establish these as causal pathways. This finding develops the argument of (Hayati & Caniago, 2012) by demonstrating that job satisfaction is not the only channel through which IWE influences performance. Islamic ethical values retain a direct role while simultaneously producing more positive work attitudes that further support employee performance.

Taken together, the findings show distinct patterns for transformational leadership and Islamic work ethics (IWE) in this sample of civil servants. Transformational leadership was associated with performance indirectly through job satisfaction, while IWE had both direct and satisfaction-mediated associations with performance. These results suggest that leadership practices and ethical values each offer a useful perspective on work outcomes in Southwestern Aceh. They do not establish that culture conditions the effectiveness of leadership, since the study did not test that interaction or compare cultural settings. Because only five of the original 21 transformational leadership indicators were retained, conclusions about that construct also require caution.

The transformational leadership results should be interpreted cautiously. Although the five retained indicators met the outer-loading criteria, removing 16 of the original 21 items may have narrowed the construct's content. The nonsignificant direct association with performance could therefore be related to the study context, the limited coverage of transformational leadership in the final model, or both. The available data cannot distinguish between these explanations

5. Conclusion and Suggestion

Conclusion

This study examined the relationships among transformational leadership (TL), Islamic work ethics (IWE), job satisfaction, and employee performance using PLS-SEM data from 400 civil servants in Southwestern Aceh. Three findings emerge.

First, TL was positively associated with job satisfaction, but its direct association with performance was not statistically significant. Its indirect association through job satisfaction

was significant, consistent with an indirect-only mediation pattern in the estimated model. Because only five of the original 21 TL indicators were retained, this finding requires caution.

Second, IWE was positively associated with both job satisfaction and performance. Its direct association with performance was statistically significant, as was its indirect association through job satisfaction. This is consistent with a complementary mediation pattern. The difference in significance between the TL and IWE direct paths does not establish that IWE has a stronger effect; the coefficients were not formally compared.

Third, job satisfaction was a statistically relevant intervening variable in both relationships. The cross-sectional design, however, does not establish the temporal or causal sequence implied by mediation. The findings should therefore be understood as associations within this sample and institutional setting.

Theoretical and Practical Implications

This study contributes contextual evidence to research on Islamic management and public-sector leadership by examining Islamic work ethics (IWE) and transformational leadership within a single model of civil servant performance in Southwestern Aceh. IWE was positively associated with job satisfaction and performance, while job satisfaction formed a significant indirect pathway for both predictors. These findings show the value of considering ethical values and leadership practices together in this setting. The theoretical implications remain bounded by the cross-sectional design and the reduction of the transformational leadership scale from 21 to five indicators, which may limit its content coverage

For practice, public-sector organizations in Sharia-influenced settings may consider strengthening ethical accountability, diligence, integrity, cooperation, recognition, autonomy, and psychological safety in civil servant development. These priorities are consistent with the associations observed in this study, but the proposed practices were not tested as interventions. Their effects on performance require evaluation through longitudinal, experimental, or multi-source research.

6. Limitations and Future Research

Limitation of study

This study has four main limitations. Its cross-sectional design cannot establish temporal order or causal relationships, including those implied by the proposed mediation paths. Measuring all variables through one self-reported questionnaire may introduce common method bias and shared-source error. The sample covers civil servants in eight administrative areas of Southwestern Aceh, which limits generalization to other settings. Finally, retaining only five of the original 21 transformational leadership indicators may have narrowed the construct's content despite acceptable outer loadings.

Future research could use longitudinal or experimental designs and obtain performance measures from additional sources. Replication across institutions and regions, together with a culturally validated leadership scale that covers its theoretical dimensions, would strengthen the evidence. Subsequent models could also examine organizational commitment, perceived organizational support, organizational climate, and spiritual well-being.

Future Research

This study has several limitations. First, the cross-sectional design cannot establish temporal order or causal relationships, particularly for the proposed mediation pathways. Second, all variables were measured through a single self-reported questionnaire, creating a risk of common method bias. No separate statistical assessment of this risk was conducted, so it cannot be considered resolved. Third, the sample was limited to civil servants in eight administrative areas of Southwestern Aceh, and the findings may not extend to other regions or sectors. Fourth, only five of the original 21 transformational leadership indicators were retained. Although their outer loadings were acceptable, the reduced scale may not adequately cover the construct's theoretical dimensions.

Future studies should use longitudinal or experimental designs to examine temporal and causal claims and collect performance data from supervisors or administrative records where feasible. They should also apply procedural and statistical approaches to assess common method bias, validate the transformational leadership and Islamic work ethics measures for the Indonesian public sector, and replicate the model across different institutional and cultural settings. Organizational commitment, perceived organizational support, and spiritual well-being are potential variables for further examination.

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Declaration of AI and AI-assisted technologies in the writing process

During the preparation of this work, the authors used Claude (Anthropic) and ChatGPT (OpenAI) in order to assist with the transliteration of the manuscript from Bahasa Indonesia into English, as well as to support grammatical correction and the refinement of written language structure to meet academic publication standards. After using these tools, the authors thoroughly reviewed and edited all AI-assisted content as needed and take full responsibility for the accuracy, integrity, and originality of the content of this publication.

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