Structural Equation Modelling Using AMOS based Empirical Analysis: Direct and Indirect Effects of Job Performance Factors among Jordanian Islamic Banks

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Abstract

In order to ensure that the Islamic bank is staying competitive, job performance plays a significant role to ensure that the organization could be successful in the future. This study was designed to investigate the effect of psychological empowerment (PE), Knowledge sharing (KS) on job performance (JP) among employees working in Islamic banking sector in Jordan. The study further tests the moderating effects of Islamic work ethics (IWE) on the model. The data were collected using a questionnaire, as the instrument for the primary data collection, with total collected back responses of 357 from Islamic banks employees who have actually participated in the research. Structural equation modeling technique was used to fully analyze the data in order to determine what level of the relationship between PE, KS, IWE and JP were existed. The findings confirm the hypothesis that PE and KS positively effects on JP. Additionally, IWE full moderate between PE and JP. The latter effect is also significant but IWE partial moderate between KS and JP. The findings triggers future researchers to conduct similar studies for other sectors in Jordan, possibly in different contexts and perspectives.
Keywords

Job Performance, Islamic Work Ethics, Islamic Banks, Jordan.

Introduction

Islamic banking is a banking structure that runs according to Sharia, relating to Islamic rules that are embedded in the Islamic religion. Under these rules, when providing loans, Islamic banks forbid interest rates on deposits and raise interest; this mechanism is called Riba in the religion of Islam. The new model of Islamic banking and finance is a financial practice that complies with Islamic Shariah values. It draws its operation from timeless concepts embedded in the Islamic Shariah legal code's rulings. Accounting and financial principles that vary from their traditional banking counterparts are also concerned.

As a result, Islamic banks based in Islamic countries face heavy rivalry not just from Islamic banks but also from commercial banks of non-Islamic rivals. There are several parallels between the two, but the Islamic banking structure is distinct from the commercial banking system. An Islamic bank, for example, performs its operations in compliance with the rules of Islamic Shariah, which specifically forbids any payment or receiving of interest. The Islamic bank, however, may also provide comparable goods and services to those provided by a traditional bank.

The job performance of employees is known as one of the big problems faced by any Islamic bank (Ghaith, Enas, Mutia, & Abdul Malek, 2018). For much of the organisation, it was a big obstacle to control the job performance of employees, which is regarded as a very important problem for a bank’s development. Qureshi (2015), said that researchers are actively seeking to explore the right variables that can clarify job performance. As a part of this scenario, several organisations are investigating the variables that could impact job performance since it is established that the degree of efficiency and performance of the bank can be dictated by job performance. Without checking at many things that will motivate workers to boost their performance, outstanding job performance will not be accomplished (Ghaith, 2020). It is obvious that developments in the business environment have increased a bank’s dependence on the work performance of the employee and workers are the Islamic bank's key asset that can draw a positive or negative picture of the bank’s development (Ghaith et al., 2018). The Islamic banking sector should often take action to ensure that employees work at their highest. Similarly, the job performance assertion is attributed depending on an organisation's structure variables and also the factors of the employee. In essence, job performance is calculated by the variables correlated with Islamic banking as well as the traits of staff themselves.
We should consider the issue of Islamic banking in Jordan on the basis of a history analysis of Jordan's education system. Several researches have been conducted on banking success in developing countries, including a few Middle East nations. Nevertheless, analysis from Jordan's point of view, performance at this level is still pending. It is worth remembering that Islamic banks need to be strengthened in order to boost the economic performance of the world's developed nations.

In almost every majority Muslim nation and in several non-Muslim nations, Islamic banks have acquired a foothold. Instead of predetermined interest rates, Islamic banks have profit-sharing. Islamic banks also perform market and trading practises on the basis of equal and legal income (all parties must participate in damages and profits-participation financing in compliance with Islamic rules). In engaging with clients and customers, they must maintain reasonable standards, rather than in commercial banks where external supervision requires to enforce a great deal of fair practise. In addition, Islamic banking is rooted in the Muslim world as a form of bank that forbids interest payments (Riba). The Islamic Laws allow for the prohibition of Riba. Islamic banks are increasingly gaining market share in their domestic economies and the empirical performance of withdrawing interest payments from financial transactions is exemplified by their involvement in extremely sophisticated markets.

**Job Performance (JP)**

Peng (2014), describes JP as the quality product, as well as the amount of work done, or more frequently as to how well a person may execute tasks in his or her workplace. Job performance is all the actions workers participate in while at work.

Personality is the main factor in employee performance. Employee performance over a given amount of time may be calculated by the employee's result against certain norms. The employee and the boss negotiate on expectations in advance. Performance is determined by several variables, such as expertise, employee capacity, job satisfaction, human characteristics, atmosphere, and compensation. In the enterprise, quantitative performance appraisal is very necessary, converging employee actions against anticipated performance and rising efficiency.

One of the main subjects of corporate psychology is job performance. One of the key variables that plays an important role in job development and progress in the labour market is employee performance. There are also better opportunities for top performers and appreciation exemptions. The performance of employees is conceptualised into
behaviour and consequences in two groups. The behavioural element is linked to
behaviours and the outcomes are linked to the effect of the task and assignment. Not all
behaviours are applicable to the JP under the umbrella of behavioural component, only
necessary behaviours for the work description or goal of organisations fell in this segment
(Abbas, Hussain, Riaz, & Iqbal, 2018). Acts alone should not indicate something that is a
method of assessment and valuation. For the performance of the employee, who is
associated with the organisation, only specific acts are taken into consideration.

**Islamic Work Ethics (IWE)**

Islamic Work Ethics (IWE) can be described, from the Islamic viewpoint, as those moral
values that separate right from wrong. Islamic work ethics is a work-oriented
methodology which views job as a virtue. According to Barhem, Younies, and Muhamad
(2009), 'faith is a significant factor in deciding how people, especially Muslims, act in
some circumstances.' In the faith of Christianity, Calvinism, which is the Protestant
division, describes work as the worship of God. After the industrial revolution, the new
iteration of labour was developed. This principle arose as capitalism exposed the lack of
money and employee exploitation.

The definition of work ethics was developed during capitalism in the 19th century. During
the industrial revelation, which is governed since industrialization took place in those
countries, the definition of work ethics was adopted by the industrial countries and they
rendered the laws that reflect their standards, ideals, principles and culture. Islamic work
ethics is not a modern terminology, but it begins with the development of an Islamic state
that, through faith and modern conceptualization of socio-economic guidelines,
formulated Arab life. An historical Muslim sociologist expressed the market aims of
promoting, communicating and sympathetically with citizens, fulfilling people's needs,
growing people's prosperity and discouraging the growth of cities. Excellence of work is a
gift of God, it is an honourable no matter what sector or occupation it belongs to.

The researchers are seeking to identify ways to incorporate ethics in employee preparation
at work. The individuals involved with company and organisations accept that the ethical
competence of staff is the main element by which organisations will deter further crises
and outrages. The emphasis has been on understanding the influence of the operating
atmosphere on behaviour, and is concerned with the ethical issues of project working
environments. The ethical dilemmas apply to the case in which, in the same sense, one has
to select between two options that are wanted and unwanted. A variety of studies have
reported that an individual employee's exceptional or decent performance is connected to
sound work ethics. People with good work ethics prefer to work for longer hours and experience better results with fewer leisure time.

**Psychological Empowerment (PE)**

Most companies placed employee empowerment programmes in place to build a connexion between company priorities and individual goals in search of greater performance (Ölçer & Florescu, 2015). Psychological empowerment activities aimed at supplying staff with access to information and expertise relevant to employment and giving them discretion to adjust work procedures enhance performance motivation. The PE definition describes how and why the role of an employee should serve as a motivator to energise, steer, and retain employee behaviours that are eventually related to the mission and contextual intentions of JP and employee turnover. The partnership with a boss is less relevant if an employee is high in empowerment and therefore inspired by the work itself, as the job offers encouragement and is correlated with more productive results. In order to help employees achieve those personal objectives, psychological empowerment generates increased individual and organisational performance by encouraging employees to engage in the decision-making process, audit their own work, and identify and address concerns.

**Knowledge Sharing (KS)**

In terms of corporate ethics, knowledge sharing has become a crucial challenge, since an inability to share knowledge that hurts the existence of an organisation is considered as deeply unethical. To date, in the extreme competitive climate of this modern globalisation, company companies have experienced turbulent turmoil. Companies can organise their work forces in such a manner as to synthesise their knowledge efficiently and solidify group performance in order to successfully overcome such uncertainty.

Knowledge is a strong resource that gives various advantages to individuals and organisations, such as better learning and decision-making. Several concepts occur in the world of knowledge management, which are distinct in significance and extent of usage. KS is one of these words or practises. Numerous companies have spent significant time and money in knowledge management because of the likely advantages that can be enjoyed by KS (Wang & Noe, 2010).

An employee of an organisation may benefit from the perspectives of his or her peers through sharing knowledge, which in turn helps to measure the performance of person and organisational jobs. Sharing knowledge with other people may also have a beneficial effect on team performance, and tends to encourage improved decision-making and
improves transactive memory. This improves cohesion and communication between an organisation's participants and results in JP’s performance. Park and Im (2001), empirically showed that KS increases the JP of the representatives of an association in a study of local government leaders.

The IWE facilitates both the acquisition and the sharing with other people of knowledge. Islam facilitates teamwork at work and supportive programmes such as social care, according to Rice (1999), which in an organisational sense converts into organisational citizenship behaviours (OCBs). In addition, studies by Murtaza et al. (2016) showed that Islam also promotes the sharing of knowledge through the compilation and distribution of knowledge, and the results also imply a positive influence of IWE on KSBs. More KSBs are displayed by persons with high IWE than those with low IWE. Employees who obey the ethical standards laid down by the Quran and Sunnah are required to participate in KS in an organisational context. As a consequence, we expect employees with better IWE to appear to show more KS than those with low IWE.

The researchers proposed the following hypotheses, consistent with the purpose of the current study:

**H$_1$**: PE has positive effects on JP.

**H$_2$**: KS has positive effects on JP.

**H$_3$**: IWE moderates the relationship between PE and JP.

**H$_4$**: IWE moderates the relationship between KS and JP.

![Figure 1 The Conceptual Framework](http://www.webology.org)

**Method**

The goal of this study is to explore the influence on job performance of the success factors that are believed to involve psychological empowerment and sharing of knowledge as previously outlined. Also being studied is the moderating influence of Islamic work ethics. Survey analysis, primary data is utilised with the usage of the research instrument.
in this case. Survey research is less effective, more accurate, and speedy approach to data collection relative to other types of data collection such as interview. This survey instrument is created by adapting similar or newly designed questionnaires to measure the constructs being studied. The chosen target population in this analysis is the employees of the selected Islamic banks in Jordan. In view of that, a total number of four (4) Islamic banks were employed and a set of questionnaires are made available and further distributed to the employees of these banks.

Table 1 Number of Employees in Jordanian Islamic Banks

<table>
<thead>
<tr>
<th>No.</th>
<th>Bank</th>
<th>No. of employees</th>
<th>Percentage</th>
<th>Collected</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Jordan Islamic Bank</td>
<td>2335</td>
<td>57.2%</td>
<td>204</td>
</tr>
<tr>
<td>2</td>
<td>Islamic International Arab Bank</td>
<td>909</td>
<td>22.2%</td>
<td>79</td>
</tr>
<tr>
<td>3</td>
<td>Safwa Islamic Bank</td>
<td>570</td>
<td>14.0%</td>
<td>50</td>
</tr>
<tr>
<td>4</td>
<td>Al-Rajhi Bank</td>
<td>272</td>
<td>6.60%</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>4086</td>
<td>100%</td>
<td>357</td>
</tr>
</tbody>
</table>

The total number of employees from all Jordanian Islamic banks is 4086 according to the central bank of Jordan (CBJ, 2018). The sample size is calculated on the basis of this population, and the sampling is completed. Sampling is the process used to pick the sample size and to perform the survey instrument afterwards. The proportionate stratified random sampling approach was then chosen by this analysis as a technique for selecting the required number of target population in all the chosen ones (Jordan Islamic Bank, Islamic International Arab Bank, Safwa Islamic Bank, Al-Rajhi Ban) in Jordan. A total sample size of 357 is valid.

The Measurement of Constructs

Job performance was measured using 6-items scales by De Clercq, Haq, and Azeem (2018). Islamic work ethics was measured using the 17-items scale adopted from Ali (1992). Psychological empowerment instruments were from Spreitzer (1995). Knowledge sharing was measured using 17-items scale adopted from (Obeidat, Zyod, and Gharaibeh (2015)). All 44 questionnaire statements were measured using the 7-point interval scale ranging from 1 = Very Unlikely to 7 = Very Likely.

Structural Equation Modelling (SEM)

Structural Equation Modeling (SEM) is the second generation method of analyzing the inter-relationships among constructs with multiple items in the model. The study employed the two-stage SEM which include validating latent constructs through Confirmatory Factor Analysis (CFA) prior to modeling the structural model and execute SEM for hypothesis testing. SEM or synonym as Covariance-Structure Modeling is the powerful multivariate statistical analysis procedure which employ parametric approach for its data analysis.
Confirmatory Factor Analysis (CFA)

The study conducted Confirmatory Factor Analysis (CFA) to validate three latent constructs involved in the study namely physiological empowerment (12 items), knowledge sharing (9 items) and job performance (6 items). Figure 2 presents the results after executing the Pooled-CFA procedure. The output in Figure 3 includes factor loading for every item, correlation between construct and the fitness indexes for the measurement model.

![Diagram](image)

Figure 2 The Pooled-Confirmatory Factor Analysis for all constructs

Assessment of Validity and Reliability for the Constructs

1. Construct Validity

The fitness indexes produced in Figure 2 has achieved all categories of fitness indexes namely Absolute Fit (RMSEA= 0.08), Incremental Fit (CFI = 0.912) and Parsimonius Fit (Chisq/Df = 2.700). Therefore the construct validity requirement have been achieved (Aziz et al., 2016; Aimran et al., 2017; Afthanorhan et al., 2017, 2018, 2019).

2. Convergent Validity

The Convergent Validity for a construct can be assessed by computing the Average Variance Extracted (AVE) using factor loading for each item measuring their respective construct. The AVE for psychological empowerment is 0.560, AVE for knowledge sharing is 0.584, and the AVE for job performance is 0.578. All AVE values are greater than 0.5, thus, the Convergent Validity for the three constructs have been achieved.
3. Composite Reliability (CR)

The Composite Reliability (CR) for a construct can be assessed by computing the value using factor loading for each item measuring their respective construct. The CR for psychological empowerment is 0.937, CR for knowledge sharing is 0.928, and the CR for Job Performance is 0.890. All CR values are greater than 0.6, thus, the Composite Reliability for the three constructs have been achieved.

4. Discriminant Validity

The Discriminant Validity among constructs are achieved when the correlation between any pair of the constructs is less than 0.85. Referring to Figure 2, all correlation between constructs as indicated by the double headed arrow are less than 0.85. Thus, the Discriminant Validity has been achieved.

Assessment for Construct Validity and Reliability

The normality distribution assessment for SEM using the Maximum Likelihood Estimator (MLE) is adequate by looking at the measure of Skewness and Kurtosis for every item. Table 2 presents the results of normality assessment for the constructs.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Min</th>
<th>Max</th>
<th>Skew</th>
<th>c.r.</th>
<th>Kurtosis</th>
<th>c.r.</th>
</tr>
</thead>
<tbody>
<tr>
<td>JP1</td>
<td>3</td>
<td>7</td>
<td>-0.327</td>
<td>-2.181</td>
<td>0.197</td>
<td>0.656</td>
</tr>
<tr>
<td>JP2</td>
<td>4</td>
<td>7</td>
<td>-0.273</td>
<td>-1.819</td>
<td>-0.14</td>
<td>-0.469</td>
</tr>
<tr>
<td>JP3</td>
<td>3</td>
<td>7</td>
<td>-0.542</td>
<td>-3.618</td>
<td>0.457</td>
<td>1.525</td>
</tr>
<tr>
<td>JP4</td>
<td>3</td>
<td>7</td>
<td>-0.415</td>
<td>2.768</td>
<td>0.573</td>
<td>1.91</td>
</tr>
<tr>
<td>JP5</td>
<td>3</td>
<td>7</td>
<td>-0.568</td>
<td>3.791</td>
<td>0.765</td>
<td>2.533</td>
</tr>
<tr>
<td>JP6</td>
<td>4</td>
<td>7</td>
<td>-0.136</td>
<td>-0.907</td>
<td>-0.372</td>
<td>-1.242</td>
</tr>
<tr>
<td>KS1</td>
<td>3</td>
<td>7</td>
<td>-0.904</td>
<td>-6.03</td>
<td>1.151</td>
<td>3.84</td>
</tr>
<tr>
<td>KS2</td>
<td>3</td>
<td>7</td>
<td>-0.899</td>
<td>-5.998</td>
<td>1.092</td>
<td>3.644</td>
</tr>
<tr>
<td>KS3</td>
<td>3</td>
<td>7</td>
<td>-0.84</td>
<td>-5.602</td>
<td>0.53</td>
<td>1.769</td>
</tr>
<tr>
<td>KS4</td>
<td>3</td>
<td>7</td>
<td>-0.83</td>
<td>-5.538</td>
<td>0.762</td>
<td>2.541</td>
</tr>
<tr>
<td>KS5</td>
<td>3</td>
<td>7</td>
<td>-0.448</td>
<td>-2.986</td>
<td>-0.026</td>
<td>-0.088</td>
</tr>
<tr>
<td>KS6</td>
<td>1</td>
<td>7</td>
<td>-0.768</td>
<td>-5.124</td>
<td>0.928</td>
<td>3.094</td>
</tr>
<tr>
<td>KS7</td>
<td>2</td>
<td>7</td>
<td>-0.558</td>
<td>-3.725</td>
<td>0.663</td>
<td>2.213</td>
</tr>
<tr>
<td>KS8</td>
<td>3</td>
<td>7</td>
<td>-0.504</td>
<td>-3.36</td>
<td>0.248</td>
<td>0.826</td>
</tr>
<tr>
<td>KS9</td>
<td>2</td>
<td>7</td>
<td>-0.573</td>
<td>-3.82</td>
<td>0.693</td>
<td>2.312</td>
</tr>
<tr>
<td>PE12</td>
<td>4</td>
<td>7</td>
<td>-0.186</td>
<td>-1.24</td>
<td>-0.056</td>
<td>-0.186</td>
</tr>
<tr>
<td>PE11</td>
<td>4</td>
<td>7</td>
<td>-0.296</td>
<td>-1.976</td>
<td>0.009</td>
<td>0.029</td>
</tr>
<tr>
<td>PE10</td>
<td>4</td>
<td>7</td>
<td>-0.141</td>
<td>-0.943</td>
<td>-0.251</td>
<td>-0.836</td>
</tr>
<tr>
<td>PE9</td>
<td>4</td>
<td>7</td>
<td>-0.057</td>
<td>-0.377</td>
<td>-0.456</td>
<td>-1.521</td>
</tr>
<tr>
<td>PE8</td>
<td>4</td>
<td>7</td>
<td>-0.084</td>
<td>-0.558</td>
<td>-0.252</td>
<td>-0.841</td>
</tr>
<tr>
<td>PE7</td>
<td>4</td>
<td>7</td>
<td>-0.28</td>
<td>-1.866</td>
<td>-0.098</td>
<td>-0.326</td>
</tr>
<tr>
<td>PE6</td>
<td>3</td>
<td>7</td>
<td>-0.325</td>
<td>-2.165</td>
<td>0.178</td>
<td>0.593</td>
</tr>
<tr>
<td>PE5</td>
<td>3</td>
<td>7</td>
<td>-0.421</td>
<td>-2.81</td>
<td>0.612</td>
<td>2.042</td>
</tr>
<tr>
<td>PE4</td>
<td>3</td>
<td>7</td>
<td>-0.618</td>
<td>-4.124</td>
<td>1.031</td>
<td>3.439</td>
</tr>
<tr>
<td>PE3</td>
<td>3</td>
<td>7</td>
<td>-0.438</td>
<td>-2.919</td>
<td>0.312</td>
<td>1.04</td>
</tr>
<tr>
<td>PE2</td>
<td>3</td>
<td>7</td>
<td>-0.423</td>
<td>-2.823</td>
<td>0.774</td>
<td>2.582</td>
</tr>
<tr>
<td>PE1</td>
<td>3</td>
<td>7</td>
<td>-0.518</td>
<td>-3.453</td>
<td>0.775</td>
<td>2.584</td>
</tr>
<tr>
<td>Multivariate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>204.097</td>
<td>42.137</td>
</tr>
</tbody>
</table>
The values of Skewness and Kurtosis for all items falls within the acceptable range between -1.5 to +1.5. Thus, the data score for all items in the model do not depart from normality and met the assumption of Parametric Statistical Analysis.

Now, the study moves into the next level which is drawing the structural model and executing the Structural Equation Modeling (SEM) to estimate the required parameters. The SEM output in Figure 3 and Figure 4 indicates the coefficient of the standardized regression path between constructs and the coefficient of the normal regression path between constructs.

![Figure 3: The Standardized Regression Path Coefficient between the Construct](image)

The result in Figure 3 indicate $R^2$ is 0.63, meaning the two constructs namely psychological empowerment and knowledge sharing contribute 63 percent of job Performance. The value of $R^2$ indicate the regression model is acceptable.

The results for Regression Path Coefficients are presented in Figure 4.

![Figure 4: The Regression Path Coefficient between the construct](image)
The Regression Equation extracted from Figure 4 is as follows:

\[
\text{Job Performance} = 0.91 \text{ Psychological Empowerment} + 0.15 \text{ Knowledge Sharing}.
\]

The test output for Hypothesis testing for regression coefficient is given in Table 3.

### Table 3 The Regression Coefficient and its Significance

<table>
<thead>
<tr>
<th></th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Performance ← Psychological Empowerment</td>
<td>0.911</td>
<td>0.113</td>
<td>8.056</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Performance ← Knowledge Sharing</td>
<td>0.153</td>
<td>0.057</td>
<td>2.710</td>
<td>0.007</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Testing the Direct Effects Hypothesis

**H1:** Psychological Empowerment has significant effect on Job Performance

Based on the result in Table 3, the hypothesis is supported at \( p < 0.001 \) level of significance.

**H2:** Knowledge Sharing has significant effect on Job Performance

Based on the result in Table 3, the hypothesis is supported at \( p < 0.007 \) level of significance.

**Testing the Moderation Effects of Islamic Work Ethic (IWE)**

Now the study will test the moderating effect of IWE in the relationship between both psychological empowerment and knowledge sharing and job performance.

**Testing Islamic Work Ethic (IWE) as the Moderator in the relationship between:**

1. Psychological Empowerment and Job Performance.
2. Knowledge Sharing and Job Performance.

The path where the moderator (IWE) is to be tested are shown in Figure 5.
Testing Hypothesis for Moderator namely, Islamic Work Ethic (IWE)

H3: IWE Moderates the relationship between Physiological Well-Being (PWB) and Job Performance (JS)

H4: IWE Moderates the relationship between Knowledge Sharing (KS) and Job Performance (JS).

The hypothesis testing for moderator is carried out using the method proposed by Awang (2012) and Awang and Siew (2018). For testing the IWE as a moderator, the study splits the IWE into two levels namely LOW IWE and HIGH IWE. Then the study constrains the path where the moderator is to be tested. Now the study is testing the moderation effect of IWE between PE and JP. The path between PE and JP is constrained with parameter “1” as shown in Figure 6.

![Figure 6 Testing High IWE as a moderator in the relationship between PE and JP](image)

The testing of moderation effects of High IWE between Psychological Empowerment (PE) and Job Performance (JP) is carried out in Table 4 (for High IWE) and Table 5 (for Low IWE).

<table>
<thead>
<tr>
<th>Table 4 The Test of Hypothesis of Moderator for High IWE Dataset</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constrained Model</strong></td>
</tr>
<tr>
<td>Chi Square</td>
</tr>
<tr>
<td>DF</td>
</tr>
</tbody>
</table>

Ha: HIGH IWE moderates the relationship between PE and JP
Supported since Chi-Square Difference is greater than 3.84 (Awang, 2015; Awang & Siew, 2018).
Table 5 The Test of Hypothesis of Moderator for Low IWE Dataset

<table>
<thead>
<tr>
<th></th>
<th>Constrained Model</th>
<th>Unconstrained Model</th>
<th>Difference in Chi Square</th>
<th>Result on Moderation</th>
<th>Result on Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>732.731</td>
<td>731.672</td>
<td>1.059</td>
<td>N Significant</td>
<td>Not Supported</td>
</tr>
<tr>
<td>DF</td>
<td>313</td>
<td>312</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ha: **LOW IWE** moderates the relationship between **PE** and **JP**  
Not Supported since Chi-Square Difference is less than 3.84 (Awang, 2015; Awang & Siew, 2018)

**Type of moderation: Full Moderation** since moderation test is significant for HIGH IWE group but not significant for LOW IWE group (Awang, 2015; Awang & Siew, 2018)

Now the study is testing the moderation effect of IWE between KS and JP. The path between KS and JP is constrained with parameter “1” as shown in Figure 7.

![Figure 7 Testing IWE as a moderator in the relationship between KS and JP](image)

The testing of moderation effects of IWE between Knowledge Sharing (KS) and Job Performance (JP) is carried out in Table 6 (for High IWE) and Table 7 (for Low IWE).

Table 6 The Test of Hypothesis of Moderator for High IWE Dataset

<table>
<thead>
<tr>
<th></th>
<th>Constrained Model</th>
<th>Unconstrained Model</th>
<th>Difference in Chi Square</th>
<th>Result on Moderation</th>
<th>Result on Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
<td>639.760</td>
<td>610.831</td>
<td>28.929</td>
<td>Significant</td>
<td>Supported</td>
</tr>
<tr>
<td>DF</td>
<td>313</td>
<td>312</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ha: **HIGH IWE** moderates the relationship between **KS** and **JP**  
Supported since Chi-Square Difference is greater than 3.84 (Awang, 2015; Awang & Siew, 2018).
Table 7 The Test of Hypothesis of Moderator for Low IWE Dataset

<table>
<thead>
<tr>
<th></th>
<th>Constrained Model</th>
<th>Unconstrained Model</th>
<th>Difference in Chi Square</th>
<th>Result on Moderation</th>
<th>Result on Hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi Square</td>
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<td>54.946</td>
<td>Significant</td>
<td>Supported</td>
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<td>DF</td>
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<td>312</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ha: LOW IWE moderates the relationship between KS and JP
Supported since Chi-Square Difference is greater than 3.84 (Awang, 2015; Awang & Siew, 2018)

Type of moderation: Partial Moderation since moderation test is significant for both HIGH IWE group as well as for LOW IWE group (Awang, 2015; Awang & Siew, 2018).

Discussion

As a matter of verification, this paper established a number of identified literature gaps have been filled and satisfied. In other word, the effort of this study has both theoretic and practical contribution to the body of existing knowledge in the following areas: First; the findings concerning the direct effects of psychological empowerment and knowledge sharing on job performance. Second; the findings regarding the moderating effect of Islamic Work Ethics on all the employed dependent and independent variable.

As indicated in hypotheses 1 and 2, the findings supported the relationship as stated in table 3, psychological empowerment and knowledge sharing factors have a positive effect on job performance among Jordanian Islamic Banks. This outcome showed that psychological empowerment is viewed as one of the most critical determinants of job performance. These results are compatible with previous studies such as Chiang and Hsieh (2012), Li, Wei, Ren, and Di (2015), Ölçer and Florescu (2015). When meaning, self-determination and impact increase amongst employees, it is anticipated that associated increases in outcomes, or leadership actions that lead to the psychological empowerment of subordinates, will also occur, which finally increases level of performance. Employees who feel their jobs are meaningful have more confidence in their competence, experience high self-determination, have impact on the work and other people and are more likely to participate in out-of-the-role work. Among the most relevant determinants of job performance are the findings already seen for knowledge sharing. These results are compatible with previous research, such as Henttonen, Kianto, and Ritala (2016); Kwahk and Park (2016); Masa'deh, Shannak, Maqableh, and Tarhini (2017). The notion of sharing knowledge inside an organisation to share tacit knowledge among workers is vital to any business performance. Islamic bank workers with a larger purpose of sharing their knowledge appear to have a positive influence on morals, job satisfaction and loyalty to their job positions, which in turn has a positive impact on their results. These considerations are extremely significant as the success of Jordanian Islamic banks derives from the behaviour that individual workers decide from their work beliefs,
personal skills, procedures, and workplace culture to improve knowledge capacities and adapt to shifts in the achievement of both individuals and bank goals.

The modelling of the structural equation reveals that Islamic Work Ethics is a moderator in the relationship between psychological empowerment, sharing of knowledge and job performance. As proposed in hypothesis 3 and 4 the results supported the relationship full moderation between psychological empowerment and job performance as reported in tables (4,5), tables (6,7) show partial moderation between knowledge sharing and job performance with high and low dataset. Islamic Work Ethics, though, was found to be a determinant of job performance as a predictor. This result justified that when Islamic banks offered a high level of psychological empowerment and sharing of knowledge, the job performance would record a high level of employee satisfaction and commitment. Although the results were, as predicted, consistent with the moderating impact of Islamic Work Ethics on the relationship between PE, KS and JP (Abdi, Nor, & Radzi, 2014; Hayati & Caniago, 2012; Kwahk & Park, 2016; Ölçer & Florescu, 2015). We might learn from this that employees who own and operate with a high degree of work ethic will often satisfy the function of which they participate in their individual employee.

Conclusion

In conclusion, the researchers find that the implementation of psychological empowerment and knowledge sharing with Islamic work ethics on job performance brings a number of benefits and beneficial impact on the performance of Jordanian Islamic banks. In addition, Islamic banks that enforce Islamic work ethics would boost the job performance of employees. Our findings of data collection and analysis showed that psychological empowerment and sharing of knowledge had positive effect on job performance. Thus, when they find their work meaningful, when they had adequate expertise to do their work well, when they had independence to make choices regarding their job, sharing of knowledge and experience, and when they thought they might have an effect on the performance of Islamic banks, employees would be inclined to show a higher degree of effort. This study aims to make a contribution to society in order to understand more about the efficacy of Islamic Work Ethics in Islamic banks. Another benefits that we can find in work ethics by implementing the code of work ethic is that a career or job satisfaction can be improved and the organisational commitment is strengthened and therefore the employee's job performance is often improved. In addition, this study often aims to render a contribution to another organisation to recognise the significance of Islamic implementation. This is because Islamic Work Ethics is the orientation for work founded on the values of Shari'ah founded by Allah SWT and the
Sunnah Rasulullah SAW. Islamic work ethics also outlines the positive relationship and the essential relationship between psychological empowerment, sharing of knowledge and job performance. It would provide the impression that IWE tasks are essential for employees to improve job performance, either in devotion or job satisfaction. Implementing the Islamic Code of Ethics should not be overlooked by the Islamic banks in Jordan. In addition, as a Muslim nation, we must be the role model for another nation and show them that our leadership and organisation would be effective, systematic, disciplined and profitable by implementing Islamic work ethics. Finally, this model could be expanded to include additional beliefs that could impact job performance such as Trust (Al-Weshah, Al-Manasrah, & Al-Qatawneh, 2018; Ogbonnaya & Valizade, 2018; Wunderlich & Beck, 2017), Work climate (Jabbar, 2015; Lau, Tong, Lien, Hsu, & Chong, 2017).

References


Awang, Z. (2012). *Structural equation modeling using AMOS graphic: Penerbit Universiti Teknologi MARA.*


