



## Employee Performance in Islamic Banking: The Roles of Integrity, Competence, and Work Environment (A Study at Bank Syariah Indonesia in Malang Raya, Jawa Timur)

Bambang Ragil<sup>1</sup>, Ernani Hadiyati<sup>2</sup>, Endang Suswati<sup>3</sup>, Sugeng Mulyono<sup>4</sup>  
<sup>1,2,3,4</sup> Doctoral Program in Management, Universitas Gajayana Malang, Malang, Indonesia

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### ABSTRACT

This study aims to examine the effects of integrity, competence, and work environment on employee performance at Bank Syariah Indonesia (BSI) in the Malang Raya area, with work motivation and organizational commitment as mediating variables. The study employed a quantitative, explanatory design. Data were collected from 90 BSI employees through a questionnaire and analyzed using Partial Least Squares–Structural Equation Modeling (PLS-SEM). The results indicate that integrity ( $\beta = 0.173$ ;  $p = 0.027$ ), competence ( $\beta = 0.158$ ;  $p = 0.043$ ), and work environment ( $\beta = 0.189$ ;  $p = 0.013$ ) have positive and significant effects on employee performance. In addition, work motivation ( $\beta = 0.336$ ;  $p < 0.001$ ) and organizational commitment ( $\beta = 0.358$ ;  $p < 0.001$ ) also significantly influence employee performance. Mediation analysis shows that work motivation and organizational commitment act as significant partial mediators, with indirect effect coefficients ranging from 0.090 to 0.117. The coefficient of determination indicates that the proposed model explains 70.3% of the variance in employee performance ( $R^2 = 0.703$ ). This study contributes theoretically by developing a dual-mediation employee performance model in the context of Islamic banking and provides practical implications for human resource management at Bank Syariah Indonesia.

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### Corresponding Author:

Bambang Ragil  
Doctoral Program in Management, Universitas Gajayana Malang,  
Malang, Indonesia  
Email: bambang.ragil@gmail.com

## 1. INTRODUCTION

The development of the banking sector plays a strategic role in supporting national economic stability and growth. As a financial intermediary, banking not only mobilizes and distributes funds but also enhances the efficiency of the financial system and strengthens public trust in economic institutions [1]. In recent years, Islamic banking in Indonesia has experienced relatively rapid growth, as indicated by increases in assets and third-party funds. Nevertheless, it continues to face challenges in operational efficiency and financing quality compared to conventional banking institutions [2]

As one of the largest Islamic banks in Indonesia, Bank Syariah Indonesia (BSI) is required to maintain sustainable organizational performance amid the increasingly competitive banking industry [3], [4]. These challenges arise not only from external factors such as economic conditions and regulatory changes but also from internal organizational factors, particularly those related to the quality of human resources. Employee performance is therefore a key determinant of the bank's ability to achieve organizational targets, maintain service quality, and sustain customer trust.

In service-oriented organizations such as Islamic banking institutions, employee performance cannot be separated from behavioral and attitudinal aspects of work [5]. Employee integrity reflects consistency between values, ethical principles, and actions in carrying out job responsibilities, which is highly relevant to Islamic principles that emphasize honesty, trustworthiness (*amanah*), and accountability [6], [7]. In addition, employee competence, encompassing technical skills, interpersonal abilities, and a willingness to learn continuously constitutes an essential prerequisite for achieving effective, efficient performance [8]. Another equally important factor is the work environment, both physical and non-physical, which can influence comfort, social support, and employee motivation in performing organizational activities [9], [10].

Previous studies have extensively examined the determinants of employee performance, particularly competence, work environment, and work motivation. However, empirical findings remain inconsistent. Several studies report that competence does not exert a significant direct effect on performance but instead requires intervening variables to explain this relationship [6], [11]. This suggests that the relationship between individual factors and performance is indirect in nature and depends on specific psychological mechanisms.

Work motivation has been identified as a key mechanism that explains the relationship between individual characteristics and employee performance (Akhsa & Hafasnuddin, 2024.; Al-kharabsheh et al., 2022). Similarly, organizational commitment has been shown to play an important role in enhancing employee performance through [14] emotional attachment and loyalty to the organization. Nevertheless, most prior studies have examined work motivation or organizational commitment as a single mediating variable, thereby providing a limited understanding of their simultaneous roles in explaining employee performance.

Moreover, studies in the Islamic banking sector tend to focus on Islamic work ethics or extra-role behaviors as determinants of performance [15], [16]. Research that integrates personal integrity, competence, and work environment within a single structural model using a dual-mediation approach remains relatively limited, particularly in the regional context of Bank Syariah Indonesia. This is noteworthy given that post-merger organizational characteristics and regional dynamics may exert specific influences on employee behavior and performance.

Based on these research gaps, the novelty of this study lies in developing an empirical model that examines the effects of integrity, competence, and the work environment on employee performance, incorporating work motivation and organizational commitment as dual mediating variables within the context of Bank Syariah Indonesia in the Malang Raya area. This model is expected to provide a more comprehensive understanding of the psychological and organizational mechanisms underlying employee performance in the Islamic banking sector.

Accordingly, this study aims to analyze the effects of integrity, competence, and the work environment on employees' performance at Bank Syariah Indonesia in the Malang Raya area, with work motivation and organizational commitment serving as mediating variables. The findings are expected to contribute theoretically by enriching behavior- and attitude-based employee performance models and by supporting Islamic banking management in formulating more effective and sustainable human resource management policies.

## **2. METHOD**

### **2.1 Research Design and Approach**

This study employed a quantitative, explanatory research design [17] to examine the causal relationships among integrity, competence, the work environment, and employee performance, with work motivation and organizational commitment serving as mediating variables. This approach was selected because it is appropriate for hypothesis testing and for analyzing structural relationships among variables based on empirical data.

### **2.2 Research Object and Location**

The object of this study was employees of Bank Syariah Indonesia (BSI) operating in the Malang Raya area. This location was selected based on considerations related to post-merger organizational characteristics and regional dynamics that may specifically influence employee behavior and performance.

### **2.3 Population and Sample**

The study population comprised all employees of Bank Syariah Indonesia (BSI) working in the Malang Raya area, including Malang City, Malang Regency, and Batu City. The population covered employees across various work units and job levels involved in both operational and administrative activities. The selection of BSI employees as the research population was based on the assumption that they directly experience and implement the organizational work system, thereby possessing relevant perceptions of integrity, competence, work environment, work motivation, organizational commitment, and employee performance.

Sample size determination followed the guidelines proposed by Hair [18], which suggest that the minimum sample size for multivariate analysis using Structural Equation Modeling is 5 times the number of research indicators. Based on the number of indicators employed in this study, the sample size was deemed sufficient to ensure stable and reliable parameter estimation.

The sampling technique used was non-probability purposive sampling. This method was selected because not all members of the population met the criteria relevant to the research objectives. The respondent criteria included: (1) employees of Bank Syariah Indonesia working in the Malang Raya area, (2) a minimum tenure of one year, and (3) direct involvement in operational or administrative banking activities. The application of these criteria was expected to ensure that the collected data were relevant and accurately represented the actual conditions of the studied variables.

### **2.4 Data Collection Technique**

Research data were collected using a structured questionnaire distributed to respondents. The research instrument was developed based on indicators adopted and adapted from relevant literature and previous studies. All questionnaire items were measured using a five-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree)[19].

### **2.5 Operationalization of Variables**

The research variables consisted of integrity, competence, and work environment as independent variables; work motivation and organizational commitment as mediating variables; and employee performance as the dependent variable[20]. A summary of the operationalization of variables is presented in a table to clarify the constructs measured.

Table 1. Research Variables and Indicators

No.	Variable	Operational Definition	Indicators	Measurement Scale
1	Integrity (X1)	The level of consistency with which employees act in accordance with organizational values, ethical principles, and standards in carrying out their duties and responsibilities.	X1.1 Behavioral Consistency X1.2 Responsibility X1.3 Honesty	Likert 1–5
2	Competence (X2)	Employees’ ability to demonstrate effective work behavior through technical skills, interpersonal skills, and continuous learning and development.	X2.1 Technical Skills X2.2 Interpersonal Skills X2.3 Learning and Development	Likert 1–5
3	Work Environment (X3)	Physical and non-physical workplace conditions that influence employee comfort, support, and work effectiveness.	X3.1 Physical Comfort X3.2 Social Support X3.3 Facilities and Equipment	Likert 1–5
4	Work Motivation (X4)	Employees’ internal drive that influences enthusiasm, effort, and satisfaction at work.	X4.1 Job Satisfaction X4.2 Sense of Achievement X4.3 Personal Goals	Likert 1–5
5	Organizational Commitment (X5)	The level of employees’ emotional attachment, loyalty, and value congruence with the organization.	X5.1 Emotional Attachment X5.2 Loyalty X5.3 Value Congruence	Likert 1–5
6	Employee Performance (Y)	The level of employees’ work outcomes based on organizational targets, work quality, and productivity.	Y1 Target Achievement Y2 Work Quality Y3 Productivity	Likert 1–5

Sources: [9], [14], [21]

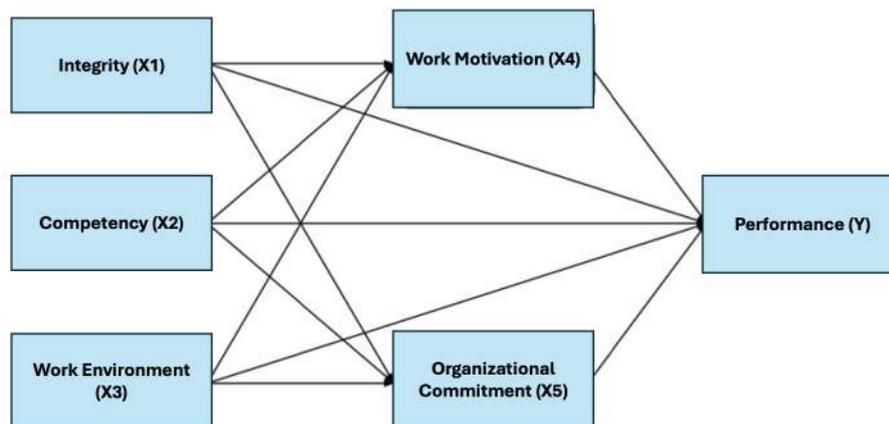


Figure 1. Research Framework

**Hypothesis Development:**

- H1: Integrity has a positive effect on employee performance at Bank Syariah Indonesia in the Malang Raya area.
- H2: Competence has a positive effect on employee performance at Bank Syariah Indonesia in the Malang Raya area.
- H3: Work environment has a positive effect on employee performance at Bank Syariah Indonesia in the Malang Raya area.

- H4: Integrity has a positive effect on work motivation among employees of Bank Syariah Indonesia in the Malang Raya area.
- H5: Competence has a positive effect on work motivation among employees of Bank Syariah Indonesia in the Malang Raya area.
- H6: Work environment has a positive effect on work motivation among employees of Bank Syariah Indonesia in the Malang Raya area.
- H7: Integrity has a positive effect on organizational commitment among employees of Bank Syariah Indonesia in the Malang Raya area.
- H8: Competence has a positive effect on organizational commitment among employees of Bank Syariah Indonesia in the Malang Raya area.
- H9: Work environment has a positive effect on organizational commitment among employees of Bank Syariah Indonesia in the Malang Raya area.
- H10: Work motivation has a positive effect on employee performance at Bank Syariah Indonesia in the Malang Raya area.
- H11: Organizational commitment has a positive effect on employee performance at Bank Syariah Indonesia in the Malang Raya area.

## **2.6 Data Analysis Technique**

Data analysis was performed through the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique using appropriate statistical software. The PLS-SEM approach was selected because of its ability to analyze complex structural relationships, including the testing of mediating variables, and its relatively flexible requirements regarding data distribution assumptions[22], [23].

Model evaluation was performed in two stages, namely the assessment of the measurement model (outer model) and the structural model (inner model)[18]. The evaluation of the outer model included tests of convergent validity, discriminant validity, and construct reliability. Meanwhile, the evaluation of the inner model involved the analysis of path coefficients, the coefficient of determination ( $R^2$ ), and the significance testing of both direct and indirect effects using the bootstrapping procedure.

## **2.7 Mediation Analysis**

The mediating roles of work motivation and organizational commitment were examined by analyzing the indirect effects between the independent variables and the dependent variable. Mediation effects were considered statistically significant when the indirect paths produced t-statistic and p-value values that met the established significance criteria. This approach was employed to explain the mechanisms by which integrity, competence, and the work environment influence employee performance.

## **2.8 Ethics Statement**

This study involved human participants, namely employees of Bank Syariah Indonesia (BSI), who completed the research questionnaire. All respondents participated voluntarily and were informed of the study's objective prior to data collection. Informed consent was obtained from all participants, and respondents were given the right to withdraw from the study at any time without any consequences. The study ensured respondent anonymity and data confidentiality, with no personally identifiable information collected or disclosed. The data were used solely for academic purposes and analyzed in aggregate. Given the non-interventional survey design and the absence of physical or psychological risks to participants, formal ethical approval was not required. All research procedures were conducted in accordance with ethical principles governing social and behavioral research.

### 3. RESULTS AND DISCUSSION

#### 3.1 Results

##### 3.1.1 Respondent Characteristics

Descriptive analysis of respondents was conducted to provide an overview of the characteristics of Bank Syariah Indonesia (BSI) employees in the Malang Raya area who participated in this study. Respondent characteristics included gender, age, educational level, length of service, and work unit. A summary of respondent characteristics is presented in Table 4.1.

Table 2. Respondent Characteristics (n = 90)

Characteristic	Category	Frequency (Persons)	Percentage (%)
Gender	Male	48	53.3
	Female	42	46.7
Age	≤ 25 years	12	13.3
	26–35 years	38	42.2
	36–45 years	28	31.1
	> 45 years	12	13.3
Education Level	Diploma (D3)	10	11.1
	Bachelor’s Degree (S1)	60	66.7
	Master’s Degree (S2)	20	22.2
Length of Service	1–3 years	22	24.4
	4–6 years	30	33.3
	7–10 years	24	26.7
	> 10 years	14	15.6
Work Unit	Operations	34	37.8
	Financing	20	22.2
	Customer Service	18	20.0
	Administration & Support	18	20.0

Based on Table 2, the research respondents were predominantly productive working-age employees, with most holding a bachelor’s degree and having more than 3 years of work experience. The respondents were drawn from various work units, both operational and supporting, indicating that the collected data are representative of the overall conditions of Bank Syariah Indonesia employees in the Malang Raya area.

##### 3.1.2 Evaluation of the Measurement Model (Outer Model)

###### 3.1.2.1 Convergent Validity and Construct Reliability

Convergent validity was assessed to examine the extent to which the indicators adequately represent their respective constructs. Convergent validity was evaluated using indicator outer loading values and the Average Variance Extracted (AVE). Meanwhile, construct reliability was assessed using Cronbach’s Alpha (CA) and Composite Reliability (CR). A construct is considered to meet the required criteria if the outer loading value is  $\geq 0.700$ , the AVE value is  $\geq 0.500$ , and both CA and CR values are  $\geq 0.700$ .

Table 3. Results of Convergent Validity and Construct Reliability Tests

Variable	Indicator	Outer Loading	AVE	CA	CR
Integrity (X1)	X1.1 Behavioral Consistency	0.842	0.712	0.798	0.882
	X1.2 Responsibility	0.813			
	X1.3 Honesty	0.861			
Competence (X2)	X2.1 Technical Skills	0.821	0.681	0.756	0.864
	X2.2 Interpersonal Skills	0.784			

Variable	Indicator	Outer Loading	AVE	CA	CR
	X2.3 Learning and Development	0.836			
Work Environment (X3)	X3.1 Physical Comfort	0.798	0.664	0.742	0.861
	X3.2 Social Support	0.853			
	X3.3 Facilities and Equipment	0.776			
Work Motivation (X4)	X4.1 Job Satisfaction	0.832	0.654	0.731	0.851
	X4.2 Sense of Achievement	0.807			
	X4.3 Personal Goals	0.754			
Organizational Commitment (X5)	X5.1 Emotional Attachment	0.862	0.716	0.804	0.887
	X5.2 Loyalty	0.839			
	X5.3 Value Congruence	0.812			
Employee Performance (Y)	Y1 Target Achievement	0.824	0.681	0.749	0.865
	Y2 Work Quality	0.851			
	Y3 Productivity	0.793			

Notes:

AVE = Average Variance Extracted; CA = Cronbach's Alpha; CR = Composite Reliability

Based on Table 4.2, all indicators exhibit outer loading values of  $\geq 0.700$ , indicating that the indicators adequately reflect their respective constructs. The AVE values for all variables exceed 0.500, thereby confirming the fulfillment of convergent validity. In addition, the Cronbach's Alpha and Composite Reliability values for each construct are greater than 0.700, indicating that the research instruments demonstrate good reliability.

### 3.1.2.2 Discriminant Validity

Discriminant validity was assessed using the Fornell–Larcker criterion and the Heterotrait–Monotrait Ratio (HTMT).

Table 4. Fornell–Larcker Criterion

Variable	X1	X2	X3	X4	X5	Y
X1 Integrity	<b>0.844</b>	0.564	0.523	0.491	0.582	0.553
X2 Competence	0.564	<b>0.825</b>	0.548	0.529	0.506	0.571
X3 Work Environment	0.523	0.548	<b>0.815</b>	0.556	0.564	0.602
X4 Work Motivation	0.491	0.529	0.556	<b>0.809</b>	0.593	0.634
X5 Organizational Commitment	0.582	0.506	0.564	0.593	<b>0.846</b>	0.662
Y Employee Performance	0.553	0.571	0.602	0.634	0.662	<b>0.825</b>

Based on Table 4, the square roots of AVE (diagonal values) for each construct are greater than the corresponding inter-construct correlations. This indicates that each construct shares more variance with its associated indicators than with other constructs, thereby confirming that discriminant validity is established according to the Fornell–Larcker criterion.

Table 5. Nilai HTMT

Construct	HTMT
X1 – X2	0.713
X1 – X3	0.681
X1 – X4	0.652
X1 – X5	0.742
X1 – Y	0.704
X2 – X3	0.695

Construct	HTMT
X2 – X4	0.721
X2 – X5	0.667
X2 – Y	0.736
X3 – X4	0.748
X3 – X5	0.731
X3 – Y	0.781
X4 – X5	0.793
X4 – Y	0.832
X5 – Y	0.846

All HTMT values are below the threshold of 0.900, indicating that each construct demonstrates adequate discriminant validity. Based on the results of convergent validity, construct reliability, and discriminant validity tests, all indicators and constructs in this study are deemed valid and reliable. Accordingly, the measurement model meets the recommended criteria, and the analysis can be continued to the evaluation of the structural model (inner model).

### 3.1.3 Evaluation of the Structural Model (Inner Model)

The evaluation of the structural model assessed its ability to explain and predict endogenous variables. The assessment of the inner model in this study includes the coefficient of determination ( $R^2$ ), the effect size ( $f^2$ ), and the predictive relevance ( $Q^2$ ). The  $R^2$  value is used to evaluate the explanatory power of the model,  $f^2$  is employed to assess the relative contribution of exogenous variables, and  $Q^2$  is used to evaluate the model's predictive capability.

Table 6. Summary of Structural Model Evaluation ( $R^2$ ,  $f^2$ , and  $Q^2$ )

Endogenous Variable	$R^2$	$Q^2$	Exogenous → Endogenous Path	$f^2$	$f^2$ Category
<b>Work Motivation (X4)</b>	0.612	0.421	Integrity → Work Motivation	0.178	Moderate
			Competence → Work Motivation	0.143	Small–Moderate
			Work Environment → Work Motivation	0.196	Moderate
<b>Organizational Commitment (X5)</b>	0.645	0.438	Integrity → Organizational Commitment	0.201	Moderate
			Competence → Organizational Commitment	0.132	Small
			Work Environment → Organizational Commitment	0.184	Moderate
<b>Employee Performance (Y)</b>	0.703	0.487	Integrity → Employee Performance	0.119	Small
			Competence → Employee Performance	0.104	Small
			Work Environment → Employee Performance	0.136	Small–Moderate
			Work Motivation → Employee Performance	0.241	Moderate
			Organizational Commitment → Employee Performance	0.287	Moderate

Notes:

$R^2$  = coefficient of determination;

$f^2$  = effect size;

$Q^2$  = predictive relevance.

Effect size ( $f^2$ ) categories: small (0.02), moderate (0.15), and large (0.35).

Based on Table 4.5, the  $R^2$  values indicate that the model demonstrates moderate to strong explanatory power in explaining variations in work motivation, organizational commitment, and employee performance. The  $Q^2$  values for all endogenous variables are greater than zero, indicating that the model has good predictive relevance. Furthermore, the  $f^2$  results show that work motivation and organizational commitment contribute relatively more strongly to employee performance than do the direct effects of integrity, competence, and the work environment.

### 3.1.4 Hypothesis Testing (Direct Effects)

Hypothesis testing was conducted by examining the path coefficients, t-statistics, and p-values obtained through the bootstrapping procedure. A relationship is considered statistically significant when the *t-statistic* value exceeds 1.96, and the *p-value* is less than 0.05.

Table 7. Results of Direct Effect Hypothesis Testing

Hypothesis	Relationship	Path Coefficient	t-statistic	p-value	Decision
H1	Integrity → Employee Performance	0.173	2.214	0.027	Accepted
H2	Competence → Employee Performance	0.158	2.031	0.043	Accepted
H3	Work Environment → Employee Performance	0.189	2.486	0.013	Accepted
H4	Integrity → Work Motivation	0.312	4.218	0.000	Accepted
H5	Competence → Work Motivation	0.274	3.647	0.000	Accepted
H6	Work Environment → Work Motivation	0.331	4.506	0.000	Accepted
H7	Integrity → Organizational Commitment	0.298	4.102	0.000	Accepted
H8	Competence → Organizational Commitment	0.251	3.318	0.001	Accepted
H9	Work Environment → Organizational Commitment	0.326	4.421	0.000	Accepted
H10	Work Motivation → Employee Performance	0.336	4.719	0.000	Accepted
H11	Organizational Commitment → Employee Performance	0.358	5.102	0.000	Accepted

Based on the results of the structural model evaluation, the proposed research model demonstrates strong explanatory power and predictive capability. All relationships among the variables are positive and significant. Work motivation and organizational commitment are shown to play important roles in explaining employee performance, both directly and as explanatory mechanisms linking integrity, competence, and the work environment to it.

### 3.1.5 Mediation Analysis (Specific Indirect Effects)

Mediation analysis was conducted to examine the roles of work motivation (X4) and organizational commitment (X5) in mediating the effects of integrity (X1), competence (X2), and work environment (X3) on employee performance (Y). The mediation effects were tested using specific indirect effects analysis via bootstrapping within the PLS-SEM framework. An indirect effect is considered statistically significant when the *t-statistic* value exceeds 1.96, and the *p-value* is less than 0.05.

Table 8. Results of Mediation Analysis (Specific Indirect Effects)

Mediation Path	Indirect Effect Coefficient	t-statistic	p-value	Result
Integrity → Work Motivation → Employee Performance	0.105	3.214	0.001	Significant
Competence → Work Motivation → Employee Performance	0.092	2.987	0.003	Significant
Work Environment → Work Motivation → Employee Performance	0.111	3.456	0.001	Significant
Integrity → Organizational Commitment → Employee Performance	0.107	3.382	0.001	Significant
Competence → Organizational Commitment → Employee Performance	0.090	2.841	0.005	Significant
Work Environment → Organizational Commitment → Employee Performance	0.117	3.601	0.000	Significant

Based on Table 8, all indirect effect paths show *t-statistic* values greater than 1.96 and *p-values* less than 0.05. This indicates that work motivation and organizational commitment serve as significant mediating variables in the relationships among integrity, competence, the work environment, and employee performance. Because the direct effects of the independent variables (integrity, competence, and work environment) on employee performance are also statistically significant in the inner model evaluation, the mediation effects are classified as partial. This implies that work motivation and organizational commitment do not fully replace the direct effects, but rather strengthen the mechanisms through which the independent variables influence employee performance.

### 3.2 DISCUSSION

#### 3.2.1 The Effect of Integrity on Employee Performance

The results indicate that integrity has a positive and significant effect on employee performance at Bank Syariah Indonesia in the Malang Raya area, with a path coefficient of 0.173 ( $p = 0.027$ ). This finding suggests that improvements in employee integrity—reflected in behavioral consistency, responsibility, and honesty—directly contribute to higher levels of target achievement, work quality, and productivity.

Empirically, although the direct effect of integrity on performance falls within the small-to-moderate category ( $f^2 = 0.119$ ), the role of integrity becomes more substantial when understood as a foundational work value. This finding is consistent with Santoso [24] emphasis that integrity fosters trust and individual accountability within organizations. In the context of Islamic banking, this result confirms that integrity is not merely a normative concept but has tangible implications for employee performance.

#### 3.2.2 The Effect of Competence on Employee Performance

The findings demonstrate that competence has a positive and significant effect on employee performance, with a path coefficient of 0.158 ( $p = 0.043$ ). This result indicates that employees' technical abilities, interpersonal skills, and continuous learning and development contribute to performance, although with a relatively small effect size ( $f^2 = 0.104$ ).

This finding supports the competency theory proposed by Mohd Ali [25], which posits that competence represents a fundamental characteristic associated with superior performance. However, the relatively small effect size suggests that competence alone is insufficient to generate optimal performance without the support of psychological and organizational factors. This reinforces the

argument that competence must be accompanied by work motivation and organizational commitment to exert a more substantial influence on employee performance.

### **3.2.3 The Effect of Work Environment on Employee Performance**

This study finds that the work environment has a positive and significant effect on employee performance, with a path coefficient of 0.189 ( $p = 0.013$ ) and a small-to-moderate effect size ( $f^2 = 0.136$ ). This result indicates that physical comfort, social support, and the availability of work facilities and equipment play important roles in enhancing employee performance.

These findings are consistent with Setyowati [26], who argue that a conducive work environment enhances employee engagement and work effectiveness. In the context of Bank Syariah Indonesia, a supportive work environment is particularly important for maintaining consistent employee performance, especially in responding to the complex and customer-oriented demands of banking services.

### **3.2.4 The Role of Work Motivation in Enhancing Employee Performance**

The results show that work motivation has a positive and significant effect on employee performance, with a path coefficient of 0.336 ( $p < 0.001$ ) and a moderate effect size ( $f^2 = 0.241$ ). In addition, work motivation is proven to mediate the effects of integrity, competence, and work environment on employee performance, with indirect effect coefficients of 0.105, 0.092, and 0.111, respectively.

These findings confirm that work motivation serves as an important psychological mechanism that bridges the influence of individual and organizational factors on performance. This result supports Al Fattah [2] expectancy theory, which states that performance is a function of both motivation and ability. In the context of Bank Syariah Indonesia, employees who feel satisfied, experience a sense of achievement, and perceive alignment between their personal and organizational goals tend to perform better.

### **3.2.5 The Role of Organizational Commitment in Enhancing Employee Performance**

The findings also reveal that organizational commitment has a positive and significant effect on employee performance, with a path coefficient of 0.358 ( $p < 0.001$ ) and a moderate effect size ( $f^2 = 0.287$ ). Beyond its direct effect, organizational commitment also functions as a significant mediating variable between integrity, competence, work environment, and employee performance, with indirect effect coefficients of 0.107, 0.090, and 0.117, respectively.

These results strengthen the organizational commitment model proposed by Yudhy [27], which emphasizes the importance of emotional attachment and employee loyalty in driving performance. In the context of Bank Syariah Indonesia as a post-merger organization, this finding has important implications, suggesting that strengthening organizational commitment is crucial for maintaining workforce stability and sustaining employee performance over time.

### **3.2.6 Integration of Findings and Strength of the Research Model**

Overall, the coefficient of determination indicates that the research model exhibits strong explanatory power, with integrity, competence, work environment, work motivation, and organizational commitment jointly explaining 70.3% of the variance in employee performance ( $R^2 = 0.703$ ). The high predictive relevance value ( $Q^2 = 0.487$ ) further indicates that the model possesses good predictive capability.

These findings confirm that employee performance is influenced not only by individual characteristics and the work environment, but also by psychological and organizational mechanisms, such as work motivation and organizational commitment. Accordingly, the dual-mediation model

developed in this study provides a more comprehensive understanding of the processes underlying employee performance in the Islamic banking sector.

### **3.2.7 Theoretical and Practical Implications**

Theoretically, this study strengthens the employee performance literature by demonstrating that work motivation and organizational commitment serve as key mediators in the relationships between integrity, competence, work environment, and performance. In practice, the findings provide empirical evidence for Bank Syariah Indonesia's management to prioritize policies that strengthen employee integrity and competence, improve the work environment, and implement programs that enhance motivation and organizational commitment to achieve sustainable improvements in employee performance.

## **4. CONCLUSION**

This study aimed to analyze the effects of integrity, competence, and work environment on employee performance at Bank Syariah Indonesia in the Malang Raya area, with work motivation and organizational commitment serving as mediating variables. Based on the SEM-PLS results, all research hypotheses are empirically supported.

The findings indicate that integrity, competence, and work environment have positive and significant effects on employee performance, both directly and indirectly. Among these variables, work environment and integrity demonstrate stronger direct contributions to employee performance than competence. This finding emphasizes that employee performance is not determined solely by technical capabilities, but also by values, ethical conduct, and supportive working conditions.

Furthermore, work motivation and organizational commitment have been shown to play a strategic role in enhancing employee performance. These variables not only exert direct effects on performance but also mediate the effects of integrity, competence, and the work environment on employee performance. These results suggest that the dual-mediation model developed in this study provides a more comprehensive explanation of employee performance, as evidenced by its strong explanatory power.

Theoretically, this study contributes to the development of human resource management literature, particularly within the context of Islamic banking. It extends understanding of employee performance by integrating integrity, competence, and the work environment within a single structural framework, mediated by work motivation and organizational commitment. The findings reinforce organizational behavior theory, which posits that performance results from the interaction of individual, psychological, and organizational factors.

This study provides empirical evidence that work motivation and organizational commitment serve as significant partial mediators. This indicates that the relationship between individual characteristics and performance is not entirely direct; instead, it operates through internal mechanisms that shape employees' work and behaviors. Consequently, this study enriches the empirical literature on employee performance models employing a dual-mediation approach, which remains relatively limited in the regional Islamic banking context.

In practice, the findings have important implications for the management of Bank Syariah Indonesia. First, management should position integrity as a core value in human resource management by strengthening organizational culture, role-modeling leadership, and performance appraisal systems that emphasize ethical behavior and accountability. Second, continuous enhancement of employee competence should be pursued through technical training, interpersonal skill development, and organizational support for learning and career development.

Third, creating a conducive work environment—both physical and non-physical—should be a key organizational priority. A comfortable work environment supported by harmonious work

relationships and adequate facilities has been shown to enhance employee motivation and performance. Fourth, management should design policies to strengthen work motivation and organizational commitment, such as fair reward systems, clear career pathways, and alignment between individual and organizational goals. These efforts are expected to sustainably improve employee performance and support Bank Syariah Indonesia's objectives.

This study has several limitations that should be acknowledged. First, the study employed a quantitative approach using questionnaire data, which means the findings are highly dependent on respondents' perceptions. Second, the study's scope was limited to employees of Bank Syariah Indonesia in the Malang Raya area; therefore, caution is warranted when generalizing the results to Islamic banking institutions in other regions. Third, the study's cross-sectional design does not allow for observing changes in employee attitudes and performance over time.

Given these limitations, future studies are encouraged to extend the research model by incorporating additional variables that may influence employee performance, such as leadership, organizational culture, and job satisfaction. Future research may also employ a longitudinal approach to gain deeper insights into changes in motivation, commitment, and employee performance over time. Furthermore, expanding the research context to other sectors or regions is expected to enhance the generalizability of the findings and enrich empirical research in human resource management, particularly within the Islamic banking sector.

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