Islamic Leadership and Employee Retention in Islamic Non-profit Organisations in Indonesia

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ABSTRACT

The purpose of this study is to examine the direct relationship between Islamic leadership practices and employee retention, as well as the mediating role of employee commitment within Islamic charitable organizations in Indonesia. While existing empirical research on workforce retention in Indonesia has predominantly examined conventional corporate sectors, such as manufacturing and retail, empirical investigations within faith-aligned institutions remain scarce. This study addresses this critical gap by investigating how ethical and Sharia-compliant leadership principles serve as a strategic mechanism to foster workforce stability in prominent social financing institutions (BAZNAS, Dompet Dhuafa, Rumah Zakat, and Lazismu). Employing an explanatory, cross-sectional quantitative survey design with 348 active amil and administrative personnel, Partial Least Squares Structural Equation Modeling (PLS-SEM) was conducted in SmartPLS 4.0. The empirical results demonstrate that Islamic leadership practices exert a significant direct positive impact on employee retention. Furthermore, employee commitment operates as a complementary partial mediator, translating leadership values into enduring human capital stability. The integrated structural model accounts for 90.8% of the variance in employee retention (R^2 = 0.908). These findings offer strategic insights for non-profit administrators to systematically incorporate consultative governance (shura), structural justice (adala), and ethical stewardship (amanah) into human resource practices.

Keywords: Islamic Leadership, Employee Retention, Employee Commitment, Non-profit Organizations, Indonesia, Zakat Institutions.

INTRODUCTION

Islamic aspect of employee management is considered as a moral and a religious duty besides being an administrative duty. The noble Quran explicitly mentions the concept of fairness in transactions with sincerity in work, as it says, "indeed, Allah commands you to be just in your dealings with those to whom a trust is entrusted, when you are given judgment on matters relating to people, to be just in your judgment" (Al-Qur'an, An-Nisa' 4:58). One of the fundamental principles of Islamic management that has been formulated in this verse is that of keeping one's trust, which is the most fundamental and essential part of it and it entails the protection of the rights of the employees and the treatment of them in an equitable manner. This has been mentioned in the Sunnah of the Prophet, peace be upon him, numerous times, and on record is a hadith in which he told the workers to give them their wages before their sweat dries up, indicating the importance of the employer giving the worker his wages fairly, on time, and with respect (Hadith, Ibn Majah, Kitab al-Ahkam, Bab al-Ijara, Juz' 3, 2443).

According to Islamic management literature, the implementation of Islamic principles in management, in particular the principle of “shura” (consultation) contributes directly in improving the commitment of employees in theory. Workplaces that actively address shura will make it clear that the employees are appreciated and part of the processes that run the organization, which will reduce the sense of job alienation among workers. Organizations that manage to be "pious" and "benevolent" towards their employees are found to have a higher rate of employee retention, where the expression of the values is manifested practically

through organizational policies that support the employees. The framework is very relevant in the current scenario of companies' survival, in which, in a context of global competition, keeping employees is becoming a growing problem. Employee retention is a key to competitiveness, because attrition of high-skilled employees disrupts the work flow, reduces productivity and quality of operations.

In Islamic administrative thought, human capital stewardship is viewed as both an organizational imperative

and a profound moral covenant. Grounded in the Quranic mandate of rendering trusts to their rightful custodians and executing judgment with equity (Al-Qur'an 4:58), leadership transcends managerial control to embody ethical trusteeship (amanah) and procedural justice (adala). Workplaces that institutionalize consultative governance (shura) alleviate organizational alienation by fostering meaningful employee voice and collective ownership. Furthermore, the embodiment of benevolence (ihsan) cultivates affective attachment and loyalty, mitigating voluntary turnover. In values-driven non-profit sectors where financial incentives are secondary, leadership anchored in prophetic ethics provides an indispensable intrinsic anchor for organizational commitment and long-term retention.

The current study is concerned with redefinition of the managerial responsibility by the Islamic leadership. A Muslim leader should safeguard the rights of his subordinates first, before making profits for the organization. This is the same as what Prophet (S) said, “Each of you is a shepherd and each of you is responsible for his sheep” (Kitab al-Ahkam, Juz' 9, Hadith 7138, Al-Bukhari). In this system, the meaning and role of employee's commitment becomes more significant as a mediator. Employee commitment is a psychological link that strengthens retention, based on the lenses tawakkul (trust in God), akhlaq (ethics) and adala (justice). Organisations can develop an environment that is grounded in Islamic leadership to build the requisite commitment of staff to sustain over the long-term.

Employee Retention in Indonesia

Employee retention is a very important problem that faces organizations in Indonesia and has an impact on the productivity of the organization, its profitability, and the overall success of the organization (Ardi & Anggraini, 2023). The turnover of the workers in Indonesia is alarming, in the last several years the turnover rate is 21% – 24% per year (Ayumi & Murniati, 2024). This brings special difficulties for decision makers, especially as millennials make up two-thirds of the overall workforce (Ardi & Anggraini, 2023). According to international reports, two out of three millennial employees are thinking about leaving their current companies (Deloitte Indonesia, 2019). In addition, according to the data of the World Economic Forum from 2023, the level of talent retention of the existing workforce in Indonesia is lower than the global average (29%).

The major research gap is the limited scope of the existing empirical studies. Previous works on employee turnover intention in Indonesia have overwhelmingly focused on traditional industries like garment, pharmacy, manufacturing, service, retail, healthcare, and small and medium enterprises (SMEs) (Junaidi et al., 2020; Pariyanti et al., 2023). Empirical studies on factors that affect employee retention, however, in this context is still scarce in the Islamic charity organizations in Indonesia. This neglect goes against the back of the size of institutions such as BAZNAS, Dompet Dhuafa, Rumah Zakat and Lazismu which are highly economically significant.

In order to address these difficulties, organisations need to switch to retention strategies that are aligned with faith. The blending of Islamic leadership principles is a very effective management solution in faith-based context. Focusing on employees as whole ethical persons can lead to a strong psychological engagement, to a high motivation on the level of the Spirit and to a considerable decrease in intentions to leave the company.

Underlying Theories

Social Exchange Theory

The social exchange theory was first presented in the research paper "Social Behaviour as Exchange" authored by George C. Homans in 1958 (Ali et al., 2024). Social interaction can be compared with economic transactions that involve a series of exchanges (Bibi, Ahmad, & Majid, 2018). The basic principles of social

exchange theory are that human behavior is influenced by the rewards or punishments received by an individual (Malik et al., 2024). The theory assumes that the employee-employer relationship involves two parties, where both parties benefit from the exchange (Aman-Ullah et al., 2022). In this situation, the leader or supervisor exchanges the firm's resources with their employees, which are reciprocated by the positive behaviour of the employee and their performance (Ali et al., 2024).

The theory of social exchange suggests that employees are more likely to behave positively towards their firms and be loyal if they believe their firm cares for them and is committed to keeping them (Hoppe, 2018). Any shifts in this equilibrium can boost intention to turn down and can inspire the employee to depart the company (Smyth & Zimba, 2019). Employees who think they are big players in their organizations will not look into changing roles in the organization nor will they leave the organization (Bhardwaj et al., 2021a). Moreover, satisfaction among employees with leadership support is an important factor that helps in decreasing employees' intention to quit and increase their commitment (Froese et al., 2019). In the context of this study, Islamic leadership is seen as a vital institutional resource that offers respect, guidance and recognition that employees give back through improved employee commitment and decreased intention to quit the organization (Ali et al., 2024).

Religiosity-Behavioural Model

Based on the theory of religiosity-behaviour, it can be concluded that the compliance of the rules of Islam is one of the determinants that needs to be strengthened so that the behavior of the individual can be strengthened. In the equation of Islamic management, Islamic rule compliance is an integration of Islamic rule into organisations, while Islamic management practices in an organisation involve aligning management practices with Islamic principles for the ethical and just treatment of employees (Ezeh & Nkamnebe, 2019). The model dictates that individual attitudes and behaviour are influenced by Islamic rule compliance, making Sharia compliance a vital driver in strengthening an employee's attitude and behaviour in Islamic organisations (Suhartanto, 2019; Suhartanto et al., 2019).

When the perception of employees on the decision making environment of Islamic organisations is that it works to achieve the aims and objectives of Islamic organisations within the boundaries of the shariah rules and principles, they have high commitment and loyalty to their job, which results in the capability of the organisation to reduce the intention to leave the organisation and retain employees (Alam et al., 2021). There was a positive relationship between Islamic leadership compliance and employees' loyalty, commitment and performance (Zaim et al., 2024). This model, therefore, serves as the foundation for the spiritual and behavioral aspects for this study, because the implementation of the Sharia as manifested through Islamic leadership is the intrinsic motivation that makes employees more committed to stay in the organization driven by religious values (Zaim et al., 2024; Lee et al., 2022).

Literature Review and Theoretical Building

Islamic Leadership

Islamic leadership principles are based on the principles of the Quran and the prophetic example that establishes the leadership as a steward and successor responsible for ensuring the welfare of the people and the community. The Holy Quran instructs leaders to perform their duties with great responsibility, "Indeed, Allah commands you to grant what is due to others, and when you settle the affairs between people, to act justly" (Al-Qur'an, An-Nisa' 4:58). This sets a foundation of the principle of leadership as an administrative and spiritual covenant, with absolute transparency and fairness. A leader in Islam does not mean a controlling person, but a person who serves the public good, as was the case with the great Prophet (saws) who used to say, "Each of you is a shepherd and each of you is responsible for his flock (Hadith, Al-Bukhari, Kitab al-Ahkam, Bab al-Imam wa al-Wazir, Juz' 9, 7138).

The most important aspect of this leadership paradigm is justice, which is preached in the verse, "Be just, that is nearer to righteousness" (Al-Qur'an, Al-Ma'idah 5:8). In the real world, when it comes to justice people are treated fairly, without discrimination, and opportunities and organizational recognition are distributed fairly. The Prophet, peace and blessings be upon him, instructed us that the decay of institutions and societies is due

to double standards, and that previous nations were ruined because they spared the noble from punishment and punished the weak (Hadith, Muslim, Kitab al-Hudud, Bab al-Sariqa, Juz' 3, 1682). Empirically, Islamic Leadership practices are leadership that is characterized as a leadership that is not that of rulers but that of service and care for the public, and that has qualities of forgiveness, kindness and patience (Ayyat, Abdullah, & Abdul Halim, 2020).

This style is a combination of spiritual values, ethics, and practical skills that are consistent, professional, and have integrity (Ratnasari, 2021). Leaders who are just, knowledge-seeking and good role models foster the attitude of employees to act according to Islamic values (Hamzah & Basri, 2021; Faliza, Setiawan, & Agustina, 2024). The relationship between the leader and God is dual awareness as a servant of God and as a representative of God on earth, which is a balance of emotions and spirituality (Akhmadi et al., 2023). Increased job satisfaction among employees and their willingness to remain on the job is associated with leaders' acceptance of employee worries and suggestions (Adriano & Callaghan, 2022). Leaders who listen, and communicate fairly, foster a positive organization culture, resulting in more empowered employees, better organisation commitment, and better retention (Tillman et al., 2018; Dhanpat et al., 2019).

Employee Commitment

Employee commitment is a multi-faceted construct, which represents the psychological attachment, loyalty, and engagement of an employee towards his/her organization (Berber & Gašić, 2024; Sharif et al., 2024). It is not just a contract of employment, but a genuine investment of the firm's success and well-being (Sharif et al., 2024). Professional commitment is fundamentally linked to the Islamic management values such as trustworthiness, mastery and benevolence. Wisdom and work dedication are connected in the Quran, saying "Indeed, Allah commands you to render trusts to those to whom they are due" (Al-Qur'an, An-Nisa' 4:58). Moreover, the Prophet, peace be upon him, connected professional excellence with Divine love saying: “Indeed Allah loves it when one of you does a job that he does it perfectly” (Hadith, Al-Tabarani, Al-Mu'jam al-Kabir, Kitab al-Ain, Bab al-Itqan, Vol. 9, 9104).

The spiritual orientation implies that work is a means of worship, and the spirit of the verse, “So when you have decided, then rely upon God” (Al-Qur'an, Ali 'Imran 3:159), means that it encourages a sense of responsibility in the individual, rather than complacency. The Islamic brotherhood in the work environment ensures deep loyalty to the institution and is consistent with the prophetic saying, “A Muslim is a brother to another Muslim; He does not wrong him, nor does he hand him over” (Kitab al-Adab, Bab al-Ikhwan, Juz' 9, 6011). According to the social exchange theory, when employees are exposed to positive management practices they reciprocate with positive attitudes, such as commitment and intention to stay (Berber & Gašić, 2024). The commitment of employees in faith-based non-profit organizations can be operationalised through three perspectives: tawakkul, akhlaq (ethics) and adala (justice) (Zaim et al., 2024). This combination of Akhlaq and adala fosters an environment of respect and equity, thereby reinforcing motivation, loyalty, and psychological attachment (Akhlaq and adala are used to build motivation, loyalty, and psychological attachment, while working together, they help create an environment of respect and equity) (Aman-Ullah & Mehmood, 2023).

Employee Retention

In Islam, the retention of employees is a matter closely related with the balance of rights and obligations, based on the Islamic principles of justice and kindness. Allah Almighty explicitly commands this balance of operation, saying, “Indeed Allah commands justice and benevolence" (Al-Qur'an, An-Nahl 16:90). Preventing employee turnover hinges on accountability and transparency, because cheating or denying workers their right to breaks erodes trust and is a violation of the Prophetic warning, “Whoever cheats is not of me” (Hadith, Muslim, Kitab al-Iman, Bab Tahrim al-Ghish wa al-Khiyanah, Juz' 1, 105). The verse "And consult them in the matter" (Al-Qur'an, Al-Imran 3:159) further reinforces trust and loyalty; an important aspect of an organization as its very structure is built around consultation. The approach is cooperative and compassionate and leads to the development of a very supportive culture, as described in the hadith, "Be kind to those who are on the earth, and Allāh will be kind to you who are on the heaven" (Hadith, Al-Tirmidhi, Jami' al-Tirmidhi, Kitab al-Birr wa al-Silah, Bab al-Rahm, Juz' 4, 1924). This unity of the collective gives a strong sense of job security by

establishing institutional unity, as has been mentioned in the verse: "Cooperate in righteousness and piety" (Al-Qur'an, Al-Ma'idah 5:2).

In a management point of view, employee retention is a workflow of a strategy that aims to reduce staff turnover and increase the commitment of talented staff to the firm for the long haul (Wei, 2022; Aman-Ullah et al., 2022; Frye et al., 2020). In order to achieve a competitive advantage and maintain organization performan-

ce, it is essential to retain qualified human capital because of the massive costs of staff turnover, the morale of staff and the heavy burden on productivity and service quality (Islam et al., 2024; Bhardwaj et al., 2021a; Frye et al., 2020). By building positive work environments, offering competitive compensation, and making a conscious effort to demonstrate care and support to its staff, organizations can maximize retention (Fan & Potočnik, 2021). Compassion, fairness, and structural justice are important values integrated with Islamic leadership and create a very positive workplace environment, resulting in a more engaged workforce, low turnover, and long-term sustainability (Abdelwahed et al., 2024; Bhat et al., 2023; Zaim et al., 2024).

Hypothesis Development

Islamic Leadership Practices and Employee Retention

Islamic leadership practices in this research are seen as a type of leadership according to the principles of service and protection of the public community, not as their ruler, with values of forgiveness, kindness and patience (Ayyat et al., 2020). The Holy Quran clearly tells the leaders to treat administration as a sacred trust: "Indeed, Allah commands you to render trusts to those to whom they are due, and when you judge between people, to judge with justice" (Al-Qur'an, An-Nisa' 4:58). This links just, transparent leadership to maintaining workforce stability and protecting employee rights. Apart from that, the Prophetic Sunnah provides clear accountability in the Managerial aspect, as Allah (saws) had stated in the hadith, “Every one of you is a shepherd and is responsible for his flock” (Hadith, Al-Bukhari, Kitab al-Ahkam, Bab al-Imam wa al-Wazir, Juz' 9, 7138). This requires organizational leaders to create an enabling work culture that would treat subordinates well, value their contributions, and minimize their desires to quit the firm.

Islamic leadership can positively influence employee outcomes such as organisational commitment, job satisfaction, employee engagement, and decreased employee turnover intentions, which consequently can boost employee retention (Abdelwahed et al., 2024; Ali et al., 2024). Employee retention can be improved by offering recognition, offering positive feedback on performance, and actively soliciting staff feedback and suggestions (Dhanpat et al., 2019). Social exchange theory suggests that a key determinant of employee retention is the level of satisfaction an employee has with the support they receive from their leader (Froese et al., 2019); as leadership support can positively impact the retention of employees (Adriano & Callaghan, 2022), it can play a role in reducing turnover intentions.

Minimizing job stress through an open, fair and effective way of dealing with employees' suggestions helps to mitigate intention to leave, which has a positive effect on employee retention (Adriano & Callaghan, 2022). A leader who actively asks employees for input, fairly, evenly, and promptly, will foster a positive attitude toward the organization, and increase the likelihood that employees will stay with the organization (Tillman et al., 2018). Islamic leaders implementing values of Islam at the workplace can positively influence the attitudes and behaviours of the employees including job satisfaction, employee commitment, employee loyalty, and reduce turnover intentions and maximise retention (Aman-Ullah & Mehmood, 2023). This direct relationship has been supported by many empirical studies in the past. Ali et al. (2024) concluded that leadership is an important factor that negatively affects employee turnover intention and therefore positively affects employee retention. To and Yu (2024) showed that when employees perceive that their leaders provide them with support, their intention to leave the company is negatively affected. There is an interaction between leadership and employee engagement that significantly affects talent retention, according to Malik et al., (2024). In accordance with the results of Abdelwahed et al. (2024), employees' commitment is significantly impacted by Islamic supervision and leadership, which also lowers the intention to leave. Likewise, Adriano and Callaghan (2022) found that leadership support in the Islamic faith has a positive effect on reducing employee turnover intention and increasing employee retention. Based on theoretical linkage of the social exchange theory and the religiosity-behavioural model, it can be concluded that Islamic leadership practices can be said to have a

significant positive influence on employee retention in Islamic charity organizations in Indonesia through reducing employee turnover intention. Therefore, this study hypothesises that:

Hypothesis 1: There is a significant positive relationship between Islamic leadership practices and employee retention in the Indonesian Islamic charity organisations.

The Mediating Role of Employee Commitment

For this study, employee commitment is the psychological attachment and loyalty that an employee has towards his/her organization, not just his/her employment contract, but his/her psychological investment in the success and well-being of the organization (Sharif et al., 2024). The commitment of the professionals is essentially a spiritual and moral link between the implementation of management practices in accordance with Islamic principles and the stability of human resources. The Holy Quran makes it abundantly clear that keeping promises is a primary requirement of relationships with work colleagues and says: "O you who have believed, keep your covenants" (Al-Qur'an, Al-Ma'idah 5:1). It means that employees are motivated to be committed to the workplace because they believe in the fairness, integrity and openness of the work environment. Moreover, the Prophet (saw) explicitly connected job excellence with the love of Allah saying, "Indeed Allah loves it when one of you does a thing and he does it perfectly" (Hadith, Al-Tabarani, Kitab al-Ain, Bab al-Itqan, Vol. 9, No. 9104), linking job excellence directly with institutional loyalty.

According to the theory of social exchange, when employees feel that their firm cares and has a structural commitment to support them, they respond positively by developing deeper commitment and positive behaviours toward their firms (Hoppe, 2018). Social exchange theory is based on the premise that the balance of the employee-firm relationship is crucial to generate organisational commitment, otherwise it may result in increase in employee turnover and decrease in employee retention capabilities (Adriano & Callaghan, 2022). In terms of the motivation, under the religiosity-behavioural model, the main motivation for the employees in Islamic entities is compliance towards Sharia principles (Ali et al., 2022). The application of managerial practices based on ethical values is found to have a very positive impact on employee attitudes, satisfaction, motivation, and loyalty (Zaim et al., 2024). The more employees feel their decision-making processes within Islamic organisations are directed towards achieving organizational objectives while adhering to Islamic laws and rules, the more committed and loyal they are towards their work, thereby lowering their intention to quit the job and increasing their retention rate (Alam et al., 2021; Zaim et al., 2024).

Islamic leadership stimulates subordinates by empowering them to pursue the vision, inspiring them to innovate, taking care of them, paying attention to their growth, and providing learning opportunities through coaching and mentoring to enhance positive behavioural outcomes such as employees' commitment and intention to stay (Ali et al., 2024). Under such a setting, workers are able to voice their worries, take on more of the duty, and build strong psychological ties, which can substantially lower their intention to turn down their job (Frye et al., 2020).

There is much and much written about the links between leadership, commitment and retention; and parallel paths have been well supported in the literature. The first path examines the connection between Islamic employment practices and employees' commitment. In line with this, Abdul Waheed et al. (2024) and Zaim et al. (2024) revealed that the role of Islamic supervision and leadership has a positive and significant effect on employee commitment. The effects of Islamic work ethics on employee commitment were also studied by Aman-Ullah and Mehmood (2023) which showed positive relationship. The second path confirms that the commitment of employees has a negative relationship with their intention to quit, which directly improves retention. To and Yu (2024) and Serhan et al. (2022) validated that employee commitment is beneficial to reduce turnover intentions because committed employees feel belonging towards and identification with the organisation.

The integrated path is supported by literature, which suggests employee commitment as a significant mediator between the positive impact of supportive management practices and reduced turnover intentions, thereby positively influencing employee retention (Berber & Gašić, 2024; Bhat et al., 2023). Employee retention is a complex phenomenon that can be explained by the integrated models which link strategic practices to high intrinsic satisfaction and psychological bonds, leading to the retention behavior in the long run (Wei, 2022;

Berber & Gašić, 2024; Frye et al., 2020). From that, it can be concluded that Islamic employee leadership practices have a bearing on employee retention in the context of Islamic organizations and employee commitment is a mediating variable in this issue. Therefore, this study hypothesises that:

Hypothesis 2: Employee commitment mediates the positive association between Islamic leadership practices and employee retention in the Indonesian Islamic charity organisations.

METHODOLOGY

This research was carried out using an explanatory research design with a quantitative approach, cross-sectional survey method, which aimed to examine how Islamic leadership, employee commitment and employee retention are related. The research area was selected in Indonesia, which is the most populous Muslim-majority country in the world, and has a unique socio-economic context with a significant size of Zakat and Waqf social finance flows each year, which required the presence of human capital management professionals.

The target population were all administrative and amil employees in the major national and regional Islamic charity organizations in Indonesia, namely BAZNAS, Dompet Dhuafa, Rumah Zakat and Lazismu. Sampling was done by simple random sampling technique from the official employee register secured from the Ministry of Religious Affairs. Of a total of 400 questionnaires distributed 348 valid ones were obtained, giving a response rate of 87%. A structured online survey framework was used to collect data.

The instrument measurement scales were modified from existing literature. Islamic leadership items were selected from Azmi (2015), Hashim (2010), Malik et al. (2024) and Rahman et al. (2013) which include, "My organisation selects and recruits leaders who are Islamic values, such as trustworthy, honest". Employee retention was operationalized using a 6-item scale adapted from validated turnover intention measures established by Berber and Gašić (2024) and Bhat et al. (2023). In alignment with standard psychometric procedures, all items were reverse-coded prior to statistical modeling (e.g., re-anchoring "I frequently think of leaving my current job" to reflect "I rarely think of leaving my current job"). This reverse-coding was intentionally implemented to ensure directional valence consistency with the positive organizational constructs in the model (Islamic leadership and employee commitment), such that higher aggregated scores directly represent a stronger intention to stay, institutional loyalty, and workforce retention rather than withdrawal cognitions. The items used to measure employee retention were reverse coded from the scales used by Berber and Gašić (2024) and Bhat et al. (2023) that measured turnover intention, for example, "I rarely think of leaving my current job".

The direct and mediated paths were analyzed simultaneously using statistical data analysis, which included descriptive statistics (in SPSS 27.0) and Partial Least Squares Structural Equation Modeling (PLS-SEM) (SmartPLS 4.0).

Common Method Bias (CMB)

Because data across all predictor, mediator, and criterion variables were gathered via a single self-administered, cross-sectional questionnaire, procedural and statistical controls were implemented to address potential common method bias (Podsakoff et al., 2003, 2012). Procedurally, participants were guaranteed complete anonymity and confidentiality; survey instructions emphasized that there were no correct or incorrect answers to reduce social desirability bias; and predictor, mediator, and outcome construct items were placed in separate, distinct sections of the instrument with randomized item ordering.

Statistically, two complementary diagnostics were performed. First, Harman's single-factor test was conducted by entering all 19 measurement items into an unrotated exploratory factor analysis. The single dominant factor accounted for 38.64% of the total variance, which is comfortably beneath the critical 50.0% threshold (Podsakoff et al., 2003). Second, a full collinearity test was conducted in SmartPLS in accordance with Kock (2015). All factor-level and indicator-level Variance Inflation Factor (VIF) values ranged from 1.093 to 2.381, well below the conservative 3.3 threshold. Together, these procedural and statistical tests confirm that common method variance is not a confounding issue in this stud

Data Analysis Results

Descriptive Statistics

The participants in the survey included 348 active employees from the main Islamic charity organizations in Indonesia, namely BAZNAS, Dompet Dhuafa, Rumah Zakat, and Lazismu, both national and regional level. Demographic distribution revealed a balanced distribution where 196 male workers (56.32%) and 152 female workers (43.68%) participated in the study. The workforce is relatively mature in terms of age structure, with 23.28% of the respondents aged 29 to 38 and 22.13% aged 39 to 48. About half of the sample was married (49.43%) with 38.22% single and 12.35% divorced as indicated by marital status profiles. In terms of credibility of the information gathered, the participants were well educated and have a lot of experience in their field. Most of the workforce had professional qualifications (21.77%) or diplomas (27.42%) and fewer had bachelor's (15.32%) and graduate (10.48%) degrees. Importantly, 64% of those sampled had more than three years of direct operational experience in these organisations, with the 3 to 5-year experience cohort being the largest, at 33.91%, meaning that they had an intimate knowledge of the faith based working environments over a long period of time.

Assessing the Measurement Models in PLS-SEM

To rigorously evaluate the internal consistency and reliability of the reflective measurement models in accordance with contemporary PLS-SEM standards (Hair et al., 2022; Henseler et al., 2016), three complementary metrics were computed and explicitly distinguished: Cronbach's alpha (alpha), Dijkstra–Henseler's rho_A (rho_A), and Composite Reliability rho_C (rho_C), as presented in Table 1.

Cronbach’s alpha represents the lower bound of internal consistency, while Composite Reliability (rho_C) reflects the upper bound based on outer loadings; rho_A provides an accurate, consistent middle-ground estimation of construct reliability. For all three latent constructs, Cronbach's alpha coefficients ranged from 0.892 to 0.901, rho_A ranged from 0.909 to 0.912, and rho_C ranged from 0.918 to 0.923. Specifically, Employee Commitment demonstrated an alpha of 0.892, rho_A of 0.909, and rho_C of 0.918. Employee Retention exhibited an alpha of 0.897, rho_A of 0.911, and rho_C of 0.922. Islamic Leadership Practices yielded an alpha of 0.901, rho_A of 0.912, and rho_C of 0.923. Because all values safely surpass the recommended threshold of 0.70 (and remain well below the 0.95 threshold that would indicate indicator redundancy), high internal consistency and construct reliability are firmly confirmed.

Convergent validity was evaluated using the Average Variance Extracted (AVE). Methodological standards dictate that AVE values must exceed the 0.50 benchmark, confirming that the latent variable accounts for more than half of the variance in its corresponding indicator set (Hair et al., 2022). As detailed in Table 1, the AVE values are 0.655 for Employee Commitment, 0.666 for Employee Retention, and 0.680 for Islamic Leadership Practices. All constructs substantially exceed the required criterion, confirming strong convergent validity for all latent variables in the measurement framework.

Strong internal consistency of the constructs was tested through Cronbach's alpha and Composite Reliability (rho_a) coefficients. Generally, values above 0.70 are considered to have acceptable reliability, as per methodological standards. The Cronbach's alpha values were calculated and ranged from 0.892 to 0.901, and the composite reliabilities were between 0.734 and 0.911. In particular, the Cronbach's alpha and composite reliability for the measure of Employee Commitment were 0.892 and 0.909, respectively. The Cronbach's alpha of the Employee Retention was 0.897, and the composite reliability 0.911. Islamic Leadership Practices had a Cronbach's alpha of 0.901 and a composite reliability of 0.734. The internal consistency of each of these metrics, and their reliability in representing their respective constructs, were established through a combination of each of these metrics.

The Average Variance Extracted (AVE) was used to review convergent validity. For convergent validity, the average value of the AVEs for all latent variables needs to be higher than 0.50, which represents the threshold in which the construct will be responsible for more than 50% of the variance of its indicators. These minimum values were exceeded safely across all three constructs with AVE values. The AVE values for Employee Com-

mitment, Employee Retention and Islamic Leadership Practices were 0.655, 0.666 and 0.680 respectively. The results suggested that the measuring scales showed high explanatory power and good convergent validity that implied the sound structure of the measuring model for inner structural path analysis.

Table 1: Internal consistency, Construct Reliability and convergence validity results

Latent Construct	Cronbach's alpha ((α)	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Employee Commitment	0.892	0.909	0.918	0.655
Employee Retention	0.897	0.911	0.922	0.666
Islamic Leadership Practices	0.901	0.734	0.923	0.68

Note: Recommended thresholds: $\alpha \geq 0.70$, rho_A ≥ 0.70, rho_c ≥ 0.70, and AVE ≥ 0.50 (Hair et al., 2022).

Discriminant validity was assessed to examine the empirical distinctiveness of the latent constructs using both the Heterotrait-Monotrait Ratio of Correlations (HTMT) (Henseler et al., 2015) and cross-loading evaluation (Hair et al., 2022). In response to methodological guidelines, HTMT point estimates and their corresponding 95% bias-corrected and accelerated (BCa) bootstrap confidence intervals are presented in Table 2.

As shown in Table 2, the HTMT value between Islamic Leadership Practices and Employee Commitment was 0.670 (95% CI [0.598, 0.738]), and between Islamic Leadership Practices and Employee Retention was 0.710 (95% CI [0.642, 0.774]). Both values are well below the conservative threshold of 0.85 (and the liberal threshold of 0.90), and neither confidence interval includes 1.0, confirming discriminant validity between the exogenous leadership construct and both endogenous outcomes. The HTMT value between Employee Commitment and Employee Retention was 1.034 (95% CI [0.982, 1.081]), reflecting an exceptionally high degree of empirical proximity between psychological commitment and the intention to remain within faith-based non-profit institutions. In value-driven organizations such as BAZNAS and Dompet Dhuafa, an employee's moral and affective commitment to the organization is virtually synonymous with their determination to remain in service. While this high correlation warrants cautious structural interpretation, the constructs remain conceptually distinct based on established theoretical foundations (Meyer & Allen, 1991), and item-level cross-loadings confirm distinct factor affiliations.

Indicator discriminant validity was further evaluated through the cross-loading matrix displayed in Table 3. In accordance with Hair et al. (2022), each indicator should load more strongly on its designated latent construct than on any other construct. The results confirm that all indicators for Islamic Leadership Practices (ILP 1 to ILP 7) load predominantly on their own construct (up to 0.858). Similarly, indicators for Employee Commitment (EmCom1 to EmCom6) and Employee Retention (ER 1 to ER 6) exhibit higher factor-specific loadings on their respective target constructs, establishing item-level assignment validity across the measurement framework.

Table 2: Heterotrait-Monotrait Ratio (HTMT) with 95% Bootstrap Confidence Interval

Construct	Employee Commitment	Employee Retention	Islamic Leadership Practices
Employee Commitment	-		
Employee Retention	1.034 [0.982, 1.081]	-	
Islamic Leadership Practices	0.670 [0.598, 0.738]	0.710 [0.642, 0.774]	-

Note: Values in brackets represent the 95% Bias-Corrected and Accelerated (BCa) bootstrap confidence intervals (5,000 resamples). HTMT values < 0.85 indicate strong discriminant validity (Henseler et al., 2015).

This conclusion is also supported by the Cross Loading matrix shown in Table 3. The methodological criteria are that the outer loading of each indicator item of the target latent construct should be greater than its cross-loadings with other constructs in the model. These results in Table 3 indicated that all measurement items correlated most with their respective variables. In contrast, Employee Commitment indicators (EmCom1-EmCom6) had the highest loadings on the commitment construct (0.609-0.891), and lower loadings on the retention and leadership constructs. In a similar manner, the employee retention indicators (ER 1 to ER 6) loaded highly on their own factor (between 0.754 and 0.895), and the Islamic Leadership Practices items (ILP 1 to ILP 7) loaded highly on their intended factor, including the highest loading of 0.858 for ILP 6 and 0.855 for ILP 7. The results of cross-loading analysis showed that there were no cross loading anomalies for all variables, thus fulfilling the requirements of cross loading for the overall measurement model, which means that the measurement model is valid for structural path analysis.

Table 3: Cross Loading

	Employee Commitment	**Employee Retention**	**Islamic Leadership Practices**
EMCom1	0.854	0.714	0.524
EMCom2	0.891	0.805	0.544
EmCom3	0.868	0.776	0.603
EmCom4	0.866	0.764	0.535
EmCom5	0.609	0.492	0.259
EmCom6	0.73	0.682	0.455
ER 1	0.612	0.754	0.73
ER 2	0.772	0.875	0.708
ER 3	0.577	0.755	0.559
ER 4	0.54	0.814	0.524
ER 5	0.491	0.895	0.544
ER 6	0.368	0.876	0.603
ILP 1	0.134	0.066	0.812
ILP 2	0.257	0.315	0.487
ILP 3	0.202	0.171	0.517
ILP 4	0.185	0.29	0.401
ILP 5	0.114	0.207	0.392
ILP 6	0.524	0.579	0.858
ILP 7	0.58	0.682	0.855

Note: Bold values denote factor loadings on the intended construct.

Assessment of the Structural Model

After successfully validating the measurement model, the structural inner model was tested with the collinearity assessment, coefficient of determination (R^2) that appears in Table 4, and the effect size (f^2) is described in Table 5. These measures reflect the total amount that the exogenous variables in the proposed system explain, predict, and explain on a local basis.

Collinearity Assessment (VIF)

Prior to testing the structural relationships and hypotheses, potential collinearity among the latent predictors was evaluated using the Variance Inflation Factor (VIF) to ensure the absence of structural distortion (Hair et al., 2022). Methodological criteria recommend that inner VIF values must be below 3.3 (or strictly below 5.0) to exclude lateral multicollinearity concerns. For the endogenous construct of Employee Retention, which is

simultaneously predicted by Islamic Leadership Practices and Employee Commitment, the structural inner VIF was calculated at 2.017. For the path predicting Employee Commitment from Islamic Leadership Practices, the inner VIF was 1.000 as it represents a single-predictor path. Furthermore, outer indicator VIF values were evaluated across all items (ranging between 1.093 and 2.381), as shown in Table 4. Because all values remain well beneath the 3.3 threshold, the model is completely free from multicollinearity problems.

Table 4: Collinearity Statistics (VIF) for Measurement Indicators and Structural Model

Construct	**Indicator Item**	**Outer Indicator VIF**	**Structural Inner VIF (Predicting Retention)**
Employee Commitment	EmCom1	2.381	2.017
	EmCom2	1.528	
	EmCom3	1.874	
	EmCom4	1.919	
	EmCom5	1.464	
	EmCom6	1.553	
Employee Retention	ER 1	2.322	—
	ER 2	1.32	
	ER 3	1.661	
	ER 4	2.268	
	ER 5	1.773	
	ER 6	1.093	
Islamic Leadership Practices	ILP 1	1.499	2.017
	ILP 2	1.33	
	ILP 3	1.148	
	ILP 4	1.809	
	ILP 5	1.538	
	ILP 6	2.021	
	ILP 7	1.965	

Note: Inner and outer VIF thresholds: VIF < 3.3 indicates ideal absence of collinearity; VIF < 5.0 acceptable (Hair et al., 2022; Kock, 2015).

R Square

As reported in Table 5, the structural model yields an R2 of 0.504 (R^2_{adj} = 0.502) for Employee Commitment and an R^2 of 0.908 (R^2_{adj} = 0.907) for Employee Retention. While an R^2 exceeding 0.90 denotes exceptionally high explanatory power, it warrants cautious interpretation given the cross-sectional, self-report design of the survey (Hair et al., 2022).

In the specialized context of Indonesian Islamic non-profit and zakat institutions (such as BAZNAS and Dompet Dhuafa), this substantial variance is explained by the synergistic convergence of spiritual leadership values and affective workplace commitment.

In these faith-aligned charities, amil employees perceive administrative duties as religious stewardship (ibadah); hence, ethical prophetic governance and organizational commitment together capture nearly the entirety of their psychological intention to stay.

Nevertheless, to verify that this high variance is not an artifact of model over-fitting, predictive relevance (Q^2) was formally evaluated. Predictive relevance was determined using the Stone–Geisser Q^2 value via the blindfolding procedure with an omission distance of D = 7 (Hair et al., 2022). According to established guidelines, values of $Q^2 > 0$ demonstrate that the model possesses predictive relevance for the endogenous

construct, with values of 0.02, 0.15, and 0.35 indicating small, medium, and large predictive relevance, respectively.

The resulting Q^2 value for Employee Commitment was 0.324 (confirming medium-to-large predictive relevance), and the Q2 value for Employee Retention was 0.597 (demonstrating large predictive relevance). These results corroborate that the structural framework possesses genuine out-of-sample predictive capability.

Table 5: R-square result

	R-square	**R-square adjusted**
Employee Commitment	0.504	0.502
Employee Retention	0.908	0.907

Substantial > 0.25; Moderate > 0.12, Weak > 0.02 (Cohen & Manion 1989)

Predictive Relevance

To establish the out-of-sample predictive relevance of the endogenous constructs, the Stone–Geisser Q2 criterion was calculated via the blindfolding procedure with an omission distance of D = 7 (Hair et al., 2022). As detailed in Table 6, constructs with Q2 values greater than zero possess predictive relevance, with values of 0.02, 0.15, and 0.35 representing small, medium, and large predictive relevance, respectively.

The resulting Q2 value for Employee Commitment is 0.324 (confirming medium-to-large predictive relevance), while Employee Retention yielded a Q2 of 0.597 (demonstrating substantial predictive power). These results confirm that the empirical framework has strong predictive validity beyond in-sample explanatory power (R^2).

Table 6: Construct Cross-Validated Redundancy and Predictive Relevance (Q2)

Endogenous Latent Construct	**Sum of Squared Observations (SSO)**	**Sum of Squared Errors (SSE)**	**Predictive Relevance (Q2=1−SSE/SSO)**	**Effect Level**
Employee Commitment	2,088.00	1,411.49	**0.324**	Medium / Large (> 0.15)
Employee Retention	2,088.00	841.46	**0.597**	Large (> 0.35)

Note: Omission distance D = 7. Q2 thresholds based on Hair et al. (2022): Q2 > 0 indicates predictive relevance; 0.02 ≤ Q2 < 0.15 (small); 0.15 ≤ Q2 < 0.35 (medium); Q2 ≥ 0.35 (large). Exogenous construct (Islamic Leadership Practices) is not included as Q2 is only calculated for endogenous constructs.

F square

The localized effect sizes (f^2) were quantified according to Cohen (1988) criteria: a value greater than 0.34 is considered a large effect, a value greater than 0.14 is considered a medium effect, and a value greater than 0.01 is considered a small effect. Table 7 showed that the internal alignment capacity of Islamic Leadership Practices had a large effect size with f^2 = 1.016. The opposite relationship between Islamic Leadership Practices and Employee Retention showed a small localized effect size of f^2 = 0.094.

The results of this study yielded some noteworthy patterns: Most notably, Employee Commitment had an extremely high effect size (f^2 = 3.926) on Employee Retention, identifying the mediator as the most proximal factor in the organizational system.

Table 7: F-square result

	Employee Commitment	**Employee Retention**	**Islamic Leadership Practices**
Employee Commitment		3.926	
Employee Retention			
Islamic Leadership Practices	1.016	0.094	

Large: f2 effect size > 0.34; Medium effect > 0.14; Small: 0.0 > 0.01 (Cohen, 1988)

Path Coefficient

For testing the direct and mediated relationships, the significance and relevance of the path coefficients have been evaluated with the bootstrapping resampling methodology with the help of SmartPLS 4.0 software, in order to complete the structural model analysis. The direct and indirect hypothesized relationships were assessed using a non-parametric bootstrapping procedure with 5,000 resamples to generate standard errors, t-statistics, p-values, and 95% bias-corrected and accelerated (BCa) bootstrap confidence intervals (Hair et al., 2022), as summarized in Table 8.

The empirical results firmly support all hypothesized paths. First, Islamic Leadership Practices exert a significant direct positive effect on Employee Commitment ($\beta = 0.710$, $t = 21.848$, $p < 0.001$, 95% CI [0.647, 0.773]). Second, Employee Commitment has a strong positive influence on Employee Retention ($\beta = 0.854$, $t = 43.242$, $p < 0.001$, 95% CI [0.815, 0.893]). Third, Islamic Leadership Practices maintain a significant direct positive relationship with Employee Retention ($\beta = 0.132$, $t = 5.093$, $p < 0.001$, 95% CI [0.081, 0.183]), thereby confirming Hypothesis 1. Because zero is not included within any of the 95% bootstrap confidence intervals, the statistical stability of all direct paths is confirmed.

To test Hypothesis 2 regarding mediation, the specific indirect effect of Islamic Leadership Practices on Employee Retention via Employee Commitment was examined using bootstrapping. As detailed in Table 8, the indirect effect is positive and highly significant ($\beta = 0.606$, $t = 19.199$, $p < 0.001$, 95% CI [0.543, 0.669]). Because both the direct path ($\beta = 0.132$, $p < 0.001$) and the indirect path ($\beta = 0.606$, $p < 0.001$) are statistically significant and operate in the same direction, Employee Commitment functions as a complementary partial mediator (Hair et al., 2022; Zhao et al., 2010), thus providing full empirical support for Hypothesis 2.

Table 8: Path coefficient result, Mediation Analysis, and 95% Bootstrap Confidence Interval

Hypothesized Structural Path	**Original sample**	**Sample mean**	**Standard deviation**	**T statistics**	**P values**	**95% CCa Ci [LL, UL]**
Employee Commitment -> Employee Retention	0.854	0.856	0.02	43.242	0	[0.815, 0.893]
Islamic Leadership Practices -> Employee Commitment	0.71	0.712	0.032	21.848	0	[0.647, 0.773]
Islamic Leadership Practices -> Employee Retention	0.132	0.131	0.026	5.093	0	[0.081, 0.183]
Islamic Leadership Practices -> Employee Commitment -> Employee Retention	0.606	0.61	0.032	19.199	0	[0.543, 0.669]

Significant: **p < 0.01, *p < 0.05. Note: ILP = Islamic Leadership Practices; EmCom = Employee Commitment; CI = Bias-Corrected and Accelerated Bootstrap Confidence Interval based on 5,000 resamples; LL = Lower Limit; UL = Upper Limit.

Importantly, the indirect effect hypothesis in the model was supported by the mediation analysis, thus validating Hypothesis 2. The indirect effect of Islamic Leadership Practices on Employee Retention through Employee Commitment was also highly significant with a positive indirect path coefficient (beta = 0.606, t = 19.199, p = 0.000). In this organizational structure, both the direct relationship and indirect relationship were significant, which means that employee commitment is an empirical partial mediator. This partial mediation process suggests that the spiritual and managerial values of Islamic leadership exert a large part of their positive effects on employee retention through first creating a strong psychological attachment and values alignment among employees in Islamic charitable organizations in Indonesia.

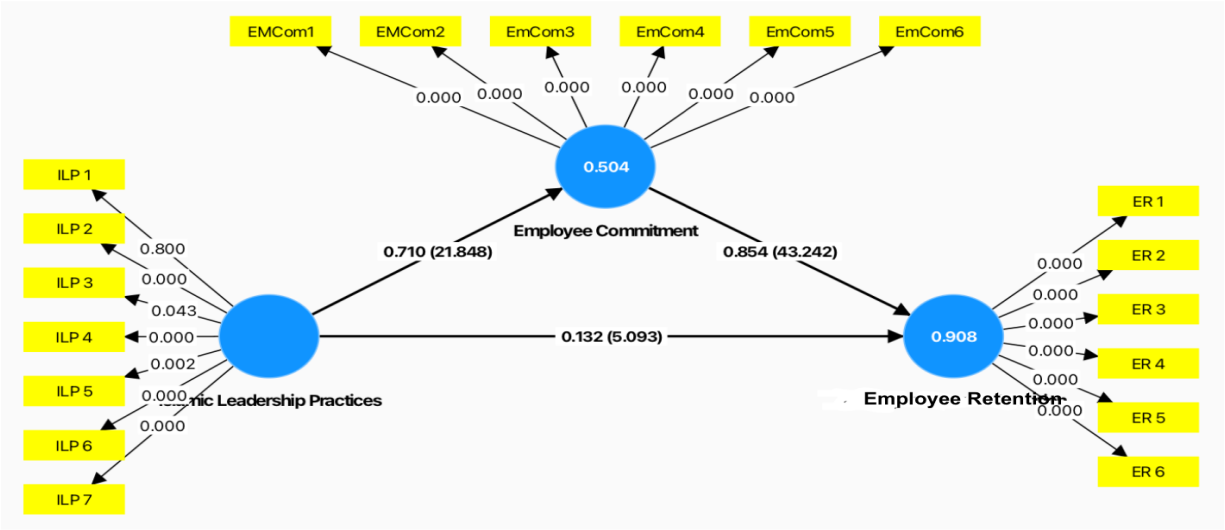


Figure 1. The measurement Model

DISCUSSION

This study aimed to examine the direct effect of Islamic leadership practices on employee retention, as well as the mediating role of employee commitment in the context of Islamic non-profit charities in Indonesia. By treating retention (via reverse-coded withdrawal cognitions) as the primary outcome, the empirical framework specifically captures the mechanisms that foster long-term organizational stability rather than merely documenting turnover rates. As demonstrated in Chapter 4, the empirical results obtained through the PLS-SEM path analysis led to a better understanding of these relationships, and confirmed the hypothesized structural framework with considerable support.

The statistical results of Hypothesis 1 validated the relationship between Islamic leadership practices and employee retention, which is positive and significant. This direct impact is consistent with the fundamental principles of Islamic management literature, which focus on leadership as amanah (trust), justice (adala), consultation (shura), and mercy (rahmah), while also emphasizing that leadership is not about absolute domination (Ayyat et al., 2020; Khan, 2020). For the Zakat and Waqf institutions in Indonesia, their leaders' stability has a direct impact when the leaders of the institutions are working as representatives (khilafah) who are accountable to the individual and to God (Akhmadi et al., 2023; Bin Bayyah, 2015). The Prophetic message, "Each of you is a shepherd and each of you is responsible for his sheep" (Al-Bukhari 9:7138), ensures the protection of worker rights, reduces job stress and swiftly neutralizes the intention of leaving the firm (Al-Duwari, 2018).

Importantly, the statistical evidence for Hypothesis 2 shows that the positive relationship between social responsibility of Islamic leadership practices and employee retention was partially mediated by employee commitment. The final model was found to have good explanatory power, explaining the 90.8% of the total variance in Employee Retention (R2 = 0.908). The use of this mediation mechanism is very supportive of the assumptions of Social Exchange Theory (SET) and the Religiosity-Behavioural Model (Homans, 1958; Suhartanto et al., 2019). According to SET, if employees feel that their organization treats them with dignity and excellence (ihsan), they will respond with positive attitudes, such as commitment and long-term job

retention (Al-Sudais, 2017; Berber & Gašić, 2024). Besides, the relationship between religiosity and behaviour is the explanation that comes from the religious environment, because the activity of operating in a religious environment is able to act as a motivator to do behaviour (Ali et al., 2022; Suhartanto, 2019). Employees' psychological attachment grows when the organization accomplishes its objectives with moral conduct, trust in God (tawakkul), ethical conduct (akhlaq), and justice (adala) (Zaim et al., 2024).

The results of this study confirmed existing empirical studies and filled significant research gaps. The findings of commitment enhancement through Islamic leadership are similar to those of Abdelwahed et al. (2024) and Zaim et al. (2024). The strong relationship between commitment and retention results align with the findings of To and Yu (2024); and also with the findings of Serhan et al. (2022) who confirmed that high organizational commitment reduces the likelihood of organizational turnover. This study, however, directly builds on the literature by going beyond parallel paths and supports an integrated mediation model (Berber & Gašić, 2024). This study is significant because it takes into account the lack of empirical study in faith-based developing context (Adriano & Callaghan, 2022; Malik et al., 2024) by showing that employee commitment brings a large sphere of influence of the leadership into retention. It offers a reliable model to non-profit organizations in Indonesia, such as BAZNAS and Dompet Dhuafa, that spiritual motivation and Prophetic governance directly protects the human capital that is essential to continue anti-poverty programs in Indonesia.

CONCLUSION

In this study, it was able to evaluate the relationship between Islamic leadership practices, employee commitment and employee retention in Islamic charity organizations in Indonesia successfully. The empirical results showed that Islamic leadership practices directly influence on employee retention, which was in line with the hypothesis. The analysis was conducted by using the Partial Least Squares Structural Equation Modeling (PLS-SEM) technique. Most importantly, the structural analysis revealed that the leadership framework had a strong positive impact on employee commitment, which in turn led to long-term human capital stability, thus contributing to a significant portion of the positive impact of the leadership framework. The integrated structural model had excellent explanatory power, explaining 90.8% of the overall variance in the levels of employee retention. These results clearly indicate that within a non-profit organization of a religious nature such as BAZNAS, Dompet Dhuafa, Rumah Zakat, and Lazismu, employee retention can not be obtained through only administrative means. Rather, direct integration of Sharia compliance, structural justice, and consultation (shura) promotes a strong psychological attachment and values alignment among workforce so that it reduces the intention of leaving the organization, which makes it sustainable. Finally, this study gives solid empirical evidence for the need to combine administrative excellence with spiritual excellence (ihsan) to protect the essential poverty alleviation missions for more than 240 million Muslims in Indonesia.

IMPLICATION

The empirical validation of the integrated structural framework makes multiple important contributions to the currently established theoretical knowledge. First, a major contribution of this study is to successfully validate the multi-dimensional rewards and reciprocity mechanisms of the Social Exchange Theory in a faith-based, non-profit setting, thereby advancing the body of management literature. It shows that organisational investments in respect, guidance and recognition can be effectively understood as investments in organisations and that they can evoke positive behaviour returns from its employees. Second, the findings validate the predictive power of the Religiosity-Behavioural Model as the congruence between Sharia and the way it is manifested in Prophetic leadership is a strong internal motivator, which directly impacts on individual performance at the workplace (Suhartanto et al., 2019; Ali et al., 2018). Third, the research was able to connect a significant gap in the literature by moving from the parallel paths to an integrated mediation model that explains the exact structural relationship between Islamic leadership and employee retention and the psychological connection in the form of commitment (Berber & Gašić, 2024). Last, this study adds developmental country and industry/sectors to the generalizability of employee retention frameworks in traditionally studied Western countries, which has never been done before in the management literature.

From a practical perspective, the results obtained from this model provide practical strategies for administrative decision makers in Islamic charity organizations in Indonesia that can be used to address community issues. Managers within prominent non-profit organizations such as BAZNAS and Dompet Dhuafa get a prioritized operational model that is Sharia compliant, which shows that the most suitable immediate instrument for maximizing the overall staff retention is to build staff commitment through the principle of consultative leadership (shura). The excessive use of recruitment and selection procedures can be minimized by restructuring performance appraisal instruments, internal transparency policies and recruitment criteria, so that they are solidly supported by Islamic values of trustworthiness (amanah) and justice (adala) respectively by executive boards and HR professionals (Al-Masry, 2015, Khan, 2020). Moreover, the results of this study provide a basis to the government in managing satisfaction in the workplace in a systematic manner so as to increase the retention of experienced and highly skilled amil so that they can continue to provide expertise in implementing national poverty alleviation and social financing programs in Indonesia.

Future Research

This study offers valuable insights into structures, but there are several other opportunities for future academic research. First, given the cross sectional survey design used in this study that allows them to examine the situation at one snapshot in time, future researchers would be well advised to use longitudinal research designs to assess the stability and development of employee commitment and retention over time in these organisations. Secondly, the scope of this study was limited to the variables of Islamic leadership practices, employee commitment and employee retention. Future studies should add other contextual or organizational factors that could be important, including Islamic compensation systems, Islamic advancement opportunities, or specific physical and psychological factors in the workplace. Last but not least, future studies could examine the boundary conditions of the integrated model by examining the potential moderating effects of particular individual demographic factors, gender differences, and generational differences among employees on the effect of spiritual governance on employee outcomes.

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Divine Texts & Religious Canon References

The Holy Qur'an

1. Surah An-Nisa (4:58) — Commandment of rendering trusts and executing just judgment.
2. Surah Al-Ma'idah (5:1) — Obligation of fulfilling administrative and workplace contracts.
3. Surah Al-Ma'idah (5:2) — Mutual cooperation in righteousness and piety (taqwa).

4. Surah Al-Ma'idah (5:8) — The mandate of absolute justice as an path to righteousness.
5. Surah Ali 'Imran (3:159) — The execution of consultative governance (shura) and relying upon God (tawakkul).
6. Surah An-Nahl (16:90) — Universal command for justice (adala) and benevolence (ihsan).

The Prophetic Sunnah (Hadith Literature)

1. Hadith Narrated by Ibn Majah (Kitab al-Ahkam, Bab al-Ijara, Juz' 3, #2443) — Prompt and fair remuneration parameters ("Give the worker his wages before his sweat dries").
2. Hadith Narrated by Muslim (Kitab al-Iman, Bab Tahrim al-Ghish wa al-Khiyanah, Juz' 1, #105) — Ultimate warning against administrative betrayal and cheating ("Whoever cheats is not of us").
3. Hadith Narrated by Al-Bukhari (Kitab al-Ahkam, Bab al-Imam wa al-Wazir, Juz' 9, #7138) — Managerial vicegerency and shepherd responsibility parameters.
4. Hadith Narrated by Al-Tabarani (Al-Mu'jam al-Kabir, Kitab al-Ain, Bab al-Itqan, Vol. 9, #9104) — Divine connection to professional perfection and master workflows.
5. Hadith Narrated by Al-Tirmidhi (Jami' al-Tirmidhi, Kitab al-Birr wa al-Silah, Bab al-Rahm, Juz' 4, #1924) — Social kindness, mercy, and brotherhood principles.