

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

Kedah is the oldest state in Malaysia and was the first state to practice the Islamic government system. This system of government was introduced by the first Kedah Sultan who embraced Islam and started practicing Islamic law in the state government, namely Sultan Al Muzaffar Shah I (1136-1179). Under this system of government, the Sultan became the head of the government and the head of the Islamic religion. At that time, religious scholars were appointed as advisers on Islamic religious affairs and they were called “Guru Sultan”. The role of “Guru Sultan” was improved during the reign of His Majesty the Sultan of Kedah, the 24th Sultan Ahmad Tajuddin Mukarram Shah ibni Almarhum Sultan Zainal Rashid Al-Mu'adzam Shah I (1854-1879) by dividing the role of Guru Sultan into three main parts, namely Mufti, Kadi and Imam. (Kedah Islamic Religious Council Strategic Plan 2021-2025).

During the reign of Al-Sultan Al Mu'tassimu Billahi Muhibbuddin Tuanku Al-Haj Abdul Halim Mu'adzam Shah ibni Almarhum Sultan Badlishah (1958-2017), the 28th Sultan of Kedah, the Kedah State Islamic Religious Council was established to replace the role of the State Council of Islamic Religion and Malay Customs. (Kedah Islamic Religious Council Strategic Plan 2021-2025).

The establishment of the Kedah State Islamic Religious Council was made on 4 April 1963 (11 Zulkaedah 1382) through the enforcement of the Islamic Religious Administration Law - Kedah State Law No. 9 of 1962. Then, the Kedah State Islamic Religious Council was declared as an institution official who takes care of Islamic religious affairs in the state of

Kedah in 2008 under the Islamic Law Administration Enactment (Kedah Darul Aman) 2008. (Kedah Islamic Religious Council Strategic Plan 2021-2025).

The reform that was made in 2008 was the appointment of the Chairman of the Council no longer from the Director of the Kedah State Department of Islamic Religious Affairs (JHEAIK), but instead was appointed directly by the reigning Sultan of Kedah. Since then, the name of the Islamic Religious Council of the State of Kedah or with its abbreviated name MAIK has been used until now (Kedah Islamic Religious Council Strategic Plan 2021-2025).

MAIK is an organization. An organization is led by a leader. To achieve the organizational objectives, the leader in a particular organization must implement an effective leadership. As Kalsoom, Khan and Zubair (2018) indicated that leadership is the most critical component in an organization and the most important skill for the organization's leaders. It brings direct and indirect impact to the employee's performance. Effective leadership also is crucial to the functioning of organizations.

1.2 Problem Statement

The research that examines the influence of leadership style on employee job performance had been done by the past researchers in various context such as the service firm in Istanbul city, Turkiye (Zaim et al., 2022), Islamic banks in Riau, Indonesia (Hamzah, Basri & Zulhelmy, 2021), small and medium enterprise in east java, Indonesia (Harwiki, 2015) and multinational organization (Kusumo, 2019).

Although the influence of leadership style on job performance has been verified by previous studies, however, the relationship has been verified mostly in the profit-oriented organization such as service firm (Zaim et al., 2022), banking sector (Hamzah, Basri &

Zulhelmy, 2021), small and medium enterprise (Harwiki, 2015) and multinational organization (Kusumo, 2019). There is still lack of study has verify the relationship in the context of an Islamic institution under government.

An Islamic institution under government is different with profit-oriented organization. For instance, the vision of profit-oriented organization such as insurance company is to be the first choice for Insurance. While, its mission is to go beyond, operational excellence, capabilities in technological competitiveness, product innovation, and performance-oriented work culture. However, an Islamic institution under government such as MAIK have a mission to empower the governance of Islamic religious affairs for the well-being of the *ummah*. While its vision is to be a superior and authoritative institution for policy making of Islamic religious affairs.

The previous studies also only focus on a specific leadership style in verifying the relationship between leadership and job performance. For instance, the study by Harwiki (2015) only focus on the effect of servant leadership on job performance. While a study by Kusumo (2019) focus in the effect of participative leadership on job performance. In addition, other studies examine the effect of Islamic leadership on job performance (Zaim et al., 2022; Hamzah et al., 2021). As a result, it is still lack of understanding on which leadership style has the most influence on employee job performance in the organization. Therefore, this research is conducted to examine simultaneously the effect of the three leadership styles namely, Islamic leadership, servant leadership and participative leadership on employees' job performances.

1.3 Research Question

- 1) What is the effect of Islamic leadership style on job performance of employees at Majlis Agama Islam Kedah?
- 2) What is the effect of servant leadership style on job performance of employees at Majlis Agama Islam Kedah?
- 3) What is the effect of participative leadership style on job performance of employees at Majlis Agama Islam Kedah?

1.4 Research Objective

- 1) To examine the effect of Islamic leadership style on job performance of employees at Majlis Agama Islam Kedah.
- 2) To examine the effect of servant leadership style on job performance of employees at Majlis Agama Islam Kedah.
- 3) To examine the effect of participative leadership style on job performance of employees at Majlis Agama Islam Kedah.

1.5 Scope of Study

This study is conducted to examine simultaneously the effect of Islamic, participative and servant leadership style on employees' job performance at Majlis Agama Islam Kedah (MAIK). MAIK is located at Bangunan Wan Mat Saman, 05000, Alor Setar, Kedah Darul

Aman and Pusat Bimbingan Islam Sultan Abdul Halim Muadzam Shah (PUSBA), Jalan Pegawai, 08000, Sungai Petani, Kedah Darul Aman.

1.6 Significance of Study

This research will provide empirical evidence about the relationship between three types of leadership known as participative, servant and Islamic on job performance in the context of Islamic institution under government. Such study is very significance because the existing understanding about the link between leadership style and job performance has been generated based on the empirical evidence from profit-oriented organization such as service firm (Zaim et al., 2022), banking sector (Hamzah, Basri & Zulhelmy, 2021), small and medium enterprise (Harwiki, 2015) and multinational organization (Kusumo, 2019).

In addition, this research also is very important because it examine simultaneously the effect of three types of leadership style known as participative, servant and Islamic on job performance in one context, which is Majlis Agama Islam Kedah. The previous studies tend to examine only the specific leadership style on job performance. For example, the effect of servant leadership on job performance has been tested in the study by Harwiki (2015). While the effect of participative leadership on job performance has been examined in a study by Kusumo (2019). Moreover, the effect of Islamic leadership on job performance has been examined in the study by Zaim and colleagues (2022) and in a study by Hamzah and colleagues (2021).

From the practical perspective, this research will assist organization, particularly Majlis Agama Islam Kedah (MAIK) in determining the best leadership style to maximising staff productivity and performance. Having adequate understanding on this issue able to help the management of MAIK to plan appropriate training and development program for the

managerial level employees. Giving a relevant training and development program to the managerial level employees will enhance their competencies in leadership, which ultimately can facilitate employees to achieve expected job performance. An appropriate training and development program also will enhance the managerial level employees' soft skills that allow them to become a good example for their subordinates, inspire and motivate them, support staff in addressing problems, serve as mentors or advisors, and be aware of the needs of subordinates in terms of their own growth and advancement.

1.7 Definition of Key Terms

1.7.1 Job performance

Simamora (2015) argue that job performance is the degree to which the employee reaches the job requirements. In other word, job performance refers to the level of success in implementing the tasks and the ability to achieve the goals set.

1.7.2 Islamic leadership style

Leadership in Islam is based on trust (Amaanah). It represents a psychological contract between leaders and their followers that they will try their best to guide, protect, and treat their followers justly. It revolves on doing good deeds for the sake of Allah, the Muslim community, and humankind (Sammari, 2023).

1.7.3 Servant leadership style

Servant leadership manifests itself when leaders put employees first, have the courage, to tell the truth, treat others fairly, and listen actively. This allows leaders to deeply understand and appreciate their employees' needs and goals, leading to improving employees' performance and quality of work (Northouse, 2018).

1.7.4 Participative leadership style

According to Wang and colleagues (2022), participative leadership is a democratic leadership that involves subordinates in organizational decision making and management with the aim of effectively enhancing employees' sense of ownership and actively integrating their personal goals into organizational goals.

1.8 Thesis outline

This thesis is structured into five chapters as follows:

Chapter 1 presents the background, the statement of the problem, the research questions and the research objectives of this study. This chapter also describes the scope of the study, and the definition of each variable include in this study. The chapter ends with the presentation of the thesis structure and the chapter summary.

Chapter 2 provide the reviews the literature to enlighten the concept of job performance, the model of job performance, factor that influence job performance. Next, followed by the

concept of leadership from Western and Islamic perspective, deep discussion on leadership style chosen in this study are Islamic leadership, servant leadership, participative leadership and relationship between that three leadership style and job performance. From this review, a conceptual framework using the dependent and the independent variables in the survey is developed, which lays a framework for the study.

Chapter 3 explains the methodological issues in conducting this study in order to test the conceptual framework. This chapter begins with a description about the research design applied in this study. Following this, the chapter provides a discussion about the population and the sample of this study, the procedure in collecting data, the measurement for each variable and the data analysis method and procedure.

Chapter 4 provides a discussion about the analysis result of this study. First, the chapter explains about data screening and demographic of respondent in this study. Next, analysis of assumption includes normality test. This chapter further describes about the results of exploratory factor analysis. And then, reliability and correlation between variable. Following this, the chapter provides a discussion related to multiple regression analysis. Finally, the chapter provides a summary of finding to confirm the hypotheses of this study.

Chapter 5 discusses the result of data analysis presented in chapter 4. The chapter begins with a summary and discussion about the findings of data analysis. Following this, the chapter highlighted the limitation of this study. Finally, this chapter addresses with suggestions for the future study, followed by the summary of the thesis.

1.10 Chapter Summary

This chapter discussed the background of the study and the problem statement. Then, the research questions and research objectives were outlined. Following this, the chapter describes the scope of the study, the significance of this study and the definition of key term. Finally, the chapter explain the thesis outline. The following chapter 2 will discuss the literature related to this study.

