

CHAPTER 1

INTRODUCTION

1.1 Background of the study

Man was created by the Allah (SWT) as His khalifah who has the ability to be creative, active, intellectual, critical, analytical and judicious etc. This intellectual or mental faculty is mentioned in Surah Al- Baqarah 31-33 when Allah (SWT) decided to create a khalifha on earth (Ariffin, 2017; Mustafa, Ghulam & Bano, Nusrat. (2020).

In adopting Islamic practices, Muslims are driven by a kind of faith which is otherwise known as iman. Islam considers iman as the basic motivating factor for believers which determines their conscience. All business decisions must be guided by iman, which practically means abiding by the shariah law, engaging in the things that are permitted (halal), avoiding those that are forbidden (haram) (Alawneh, 1998; Rafiki, Ahmad & Abd Wahab, Kalsom, 2014). Business decision makers are free to make choices, but religious principles provide a framework for the appropriate exercise of that choice (Ali & Gibbs, 1998; Rafiki, Ahmad & Abd Wahab, Kalsom, 2014).

An organization is a structured social system consisting of groups and individuals working together to meet some agreed upon objectives. In other words, organizations consist of people, who alone and together in work group strive to attain common goals (Greenberg & Baron, 2008). The organization should feel like a community where everyone's input and efforts are acknowledged, valued, and needed. Happy and driven employees lead to thriving and successful organization. In addition, regardless of organization strategies or the marketing prowess of the person in charge, without a hardworking and dedicated employee at the center of operations, an organization cannot have a stable foundation. Therefore, organization and employees are very closely related

which cause the successful of the company. In other word, the success of any organization is greatly dependent on its employees.

The organization creates a structure to streamline the working activities and control the actions of members (Rezayian, 2005; Ahmady et al., 2016). According to Stephen, Catherine and Keyvan (2014), organizational structure affects the behavior of firms through at least two channels. First, the structure can have an impact on company performance and measures, such as speed in applying productivity, and enhancing innovation or profit. Second, the structure of the firm may have the effect to individuals or operating units consisting of the organization.

Organizations are created to produce goods and services for the larger society (Lussier, 2011). Organizations have to plan and strategize as per the prevailing business situation. Today the organizations are highly focused on customer preferences so as to maximize the returns of business. The organizations have also realized the importance of building internal competency and capacity so as to survive and compete in this dynamic and competitive environment.

In addition, ensuring employee commitment is another mechanism that can be taken by organization to survive and compete in the dynamic and competitive environment. It is due to every successful organization is backed by a committed employee base. It is the energy that compels employees towards organizational objective. In other word, it would be impossible for the organization to generate performance without commitment. One of the possible reasons is because lack of commitment will result in to high turnover of employees, which will burden organization with extra cost of hiring and training new employees as well as non-execution of organization plans and strategies in the desired manner and low productivity and performance (Chandrakant, 2018). Therefore, ensuring employee commitment towards organizational objective is a critical issue faced by organization.

The employee commitment is the outcome of motivation. The concept of motivation can be traced from ancient Greeks, Plato and Aristotle ages. Plato believed in a hierarchy organized such as dietary component, the emotional and the rational. Aristotle

believed in those dietary and emotional components are relevant to body and part of concept of motivation. They can prepare some sensors like growth, physical comfort (food) and some sensory experiences such as pain and pleasure (emotional). Based on Plato and Aristotle believes, the ancient Greeks presumed three components, the body's desires, pleasures and pains (senses and efforts of will and spirit) in a hierarchical arrangement for the first theoretical justification of the motivational activities (Behnaz, 2013). In the modern era after the Renaissance, René Descartes distinguished between inactive and active aspects of motivation. Descartes believed in that body is inactive factor of motivation, while will is active factor of motivation. Body has a physical and mechanical nature with nutrition desires that answer to those desires by senses and physiological reflects to external environment. (If you wanted to understand physical motivations, physiological analysis must be used). The mind has mental, moral and intellectual nature which has purposefulness will. (If you wanted to understand targeted motivations, will analysis must be used). Therefore, will always is force of motivation, Descartes devoted motivation exclusively to the will of man for a first time. He provided the first great theory of motivation for philosophers. (Behnaz, 2013). Recently, researchers have defined motivation as a reflection of the level of energy, commitment and creativity that led organizational employees to their jobs (Irum, et al., 2014).

The topic of motivation plays a central role in the field of management (Cadsby, Song & Tapon, 2007). It is one of the most popular management topics (Kark & Dijk, 2007). Motivation is an important stimulation which directs human behavior (Chandrakant, 2018). Motivation also is the internal process leading to behavior (Cadsby, Song & Tapon, 2007) and has been widely acknowledged as a critical determinant of behavior (Kaiser & Kaplan, 2006). In addition, motivation affects how and to what extent we utilize our skills and abilities (Detert & Burris, 2007). Therefore, motivation enable employees to increase productivity, increase efficiency and improve the overall performance of the organization (Steer, 1994). In fact, a motivated employee can accomplish different tasks without consuming additional resources (Joo et al., 2010). On the other hand, unmotivated employees are less willing to be cooperative and supportive,

and they may decrease work effort, time on the job, productivity and performance (Kotick, 2008).

Thus, organizations need to motivate their employees. It is important for organizations to find factors that motivate employees to make sure they can perform to their maximum ability. Organization should be able to identify and evaluate internal motivation which an employee derives from job satisfaction and further enhance it with external motivation as required for which organization could take note of motivation theories (Chandrakant, 2018). Organizations also can design and offer an attractive incentive and benefit system to motivate employees (Cadsby, Song & Tapon, 2007). In addition, employees are assumed to value intrinsic and extrinsic rewards. Both form of rewards contributes significantly to the levels of employees' motivation (Herzberg et al, 1959). Moreover, employees are more motivated by flexibility in the workplace, autonomy at work, good interpersonal relationships in the workplace, the possibility of working at their own pace, respect among employees and equal treatment of employees regardless of their age (Rozman et al., 2017).

1.2 Problem Statement

Yayasan Dakwah Islamiah Malaysia (YADIM) aim to be an Islamic organization that can show an example of governance in accordance with Islamic law. YADIM also focus on producing knowledgeable and skillful Muslim preacher to enhance Dakwah activities (Yayasan Dakwah Islamiah Malaysia).

YADIM has achieved various achievement. It achieved the ISO 9001: 2008 certification in 2009. It also has successfully undertaken Dakwah and community programs such as the Mithali Mother Program and the Dakwah Month. In addition, YADIM have successfully implemented so many Dakwah programs for youth and society, with the support from its Companions and Al Falah Volunteers. These include programs related to faith, family, financial transactions, welfare and youth leadership (Yusri, 2016). Moreover, YADIM has been named as the best organization during the Prime Minister's Department Innovation Award in 2018. This award was introduced to

recognizes the significant and high impact of innovation made by the organization to improve the delivery system quality through improved work processes or procedures more efficiently.

Having good resources, especially the competent human resources are the key for YADIM achievement. According to Fuziah (2018), if each employee tries to improve their own potential, then the organization will be more successful. Previous researcher such as Yusri (2016) reveals that the employees, who work with YADIM have performed very well. They are dedicated, brilliant and have successfully implemented so many Dakwah programs. Similarly, Fuziah (2019) also argue that YADIM have committed and professional employees at all levels and all departments, who willing to perform the task.

Motivation has been recognized as one of the main reasons that contribute to employees' good performance. A study by Saleem and Sheema (2015) found a positive relation between motivation and performance, indicating that the higher the motivation, the higher the performance. Similarly, Seng and Thilageswary (2017) showed that the job motivation as important competencies to improve job performance and considered as an effective way for organizations to enhance their productivity. Based on these facts, it is essential to understand the factors that influenced employee motivation.

Salary is one of the factors that influence employees' motivation. Belly (2015) in his study found that financial incentives (i.e., salary) and non-financial assets such as nonmonetary rewards, recognition, appreciation and promotion have been equally significant bearing in motivation. Abdul Gusau (2017) also shows that salary serve as a form of motivation to the employees. Another factor that can enhance employee motivation is transformational leadership style. Adeel and colleagues (2017) indicates that all dimensions of transformational leadership have positive effects on employee motivation. Moreover, job enrichment also can play the role as the factor of employee motivation. Nanle (2015) stated that there is a strong and positive relationship of job enrichment to the motivation of employees. Job security is another reason that can influence employee motivation. Fazil (2014) found that there is a significant relation between job security and motivation. Bhaskar and Tathagata (2014) indicate that job

security was the most important factor related to motivation, which closely followed by interesting work and respect and recognition. Besides that, the implementation of training and development can contribute to employee motivation. Katarzyna (2017) in his study showed a strong relationship between training and employee motivation to work. Finally, empowerment also one of the factors that influence employee motivation. Meng and colleagues (2015) conducted the research in the private university in China identified that intrinsic motivation is dominant in view the role of empowerment. In addition, Hasan and colleagues (2011) in their study of public and private banks operating in Ankara, revealed that the perceived employee empowerment had a positive impact on the achievement motivation of employees. Other research by Quratul-Ain (2011) show that the more empowerment and recognition of employees in an organization is increased, the more will their motivation to work will enhance.

The previous discussions have provided essential understanding about the factors that influence motivation. However, these findings are justified separately in different context such as commercial bank (Belly, 2015; Adeel et al., 2017), higher education institutions (Zahra et al., 2015; Ojeleye, 2017; Weiping at al., 2017), hotels (Fazil, 2014), and small and medium enterprise (Katarzyna, 2017). The previous findings also were acquired from various countries such as Kenya (Belly, 2015), United Kingdom (Ismail & Tuba, 2013), Pakistan (Zahra et al., 2015; Adeel et al., 2017), Brazil (Flavia et al., 2017), China (Weiping at al., 2017), India (Venith & Indradevi, 2015), Somalia (Said et al., 2017), and Turkey (Fazil, 2014). There are still limited discussion and understanding about the factors that influence motivation in the Islamic organization in Malaysia such as YADIM.

Another gap in the field of motivation is lack of studies that investigate the moderating factors between the factors (salary, training, job enrichment, transformational leadership, empowerment, job security) and motivation. It is due to the previous studies are more focus on identifying the factors of motivation. There are two factors that have potential to be regarded as moderator known as job satisfaction and job involvement. Regarding job satisfaction, Omer and colleagues (2018) argue that job satisfaction plays a moderating role in the relation between transformational and conditional-rewarding

leadership and pro-social silence. Similarly, in a study by Hakan and colleagues (2017) also highlight the moderating role of job satisfaction on the relationship between servant leadership and turnover intention. Regarding job involvement, Chi and colleagues (2018) found that job involvement had a moderating effect on the relationship between organizational commitment and job satisfaction. In addition, a study by Mahfuz (2013) indicated that job involvement had a moderating effect on the relationship between emotional intelligence and retention. Based on previous evidence, there is a potential for job satisfaction and job involvement to moderate the relationship between the factors (salary, transformational leadership, job enrichment, training, empowerment, job security) and motivation. However, such potential role has not yet tested in the literature.

1.3 Research Questions

1. Do salary, transformational leadership, job enrichment, job security, training and development and empowerment influence employee motivation in Yayasan Dakwah Islamiah Malaysia (YADIM)?
2. Does job satisfaction moderate the relationship between the factors (salary, transformational leadership, job enrichment, job security, training and development and empowerment) and motivation?
3. Does job involvement moderate the relationship between the factors (salary, transformational leadership, job enrichment, job security, training and development and empowerment) and motivation?

1.4 Research Objectives

1. To examine the influence of salary, transformational leadership, job enrichment, job security, training and development and empowerment on employee motivation in Yayasan Dakwah Islamiah Malaysia (YADIM).
2. To identify the moderating effect of job satisfaction in the relationship between the factors (salary, transformational leadership, job enrichment, training and development and empowerment) and motivation.
3. To investigate the moderating effect of job involvement in the relationship between the factors (salary, transformational leadership, job enrichment, training and development and empowerment) and motivation.

1.5 Significance of the study

As an Islamic organization that aims to produce competent Islamic preacher, and coordinate the activities of Islamic Dakwah, YADIM need for employees that can perform their task. It has been argued that motivation is the element that can facilitate employees' performance. This study can help YADIM determine the factors that can enhance their employees' motivation. Besides that, this study will give benefit to any Islamic Organization in Malaysia or any NGO to improve the organization, structure, management, administrative and job vacancies.

This study provides understanding about the factors that influence motivation in a specific organization. Although the effect of those factors (salary, transformational leadership, job enrichment, job security, training and development and empowerment) that included in this study have been verified by previous studies, however, their effect on motivation has been justified separately in different country and context. The effect of these factors on motivation have not been simultaneously tested in a specific context and country. By testing simultaneously, the effect of these factors on motivation in a specific context and country, a more accurate conclusion can be made, particularly in the context of Islamic organization (i.e. YADIM) is Malaysia (an Islamic country).

This study provides empirical evidence about the role of job satisfaction and job involvement as a moderator in the relationship between the factors (training, salary, empowerment, transformational leadership, job security, job enrichment) and motivation. The findings from this study can provide additional support to recognize the role of job satisfaction and job involvement as a moderator. Previous studies have confirmed their (job satisfaction and job involvement) role as a moderator, but on different relationship such as between transformational and conditional-rewarding leadership and pro-social silence (Omer et al., 2018), between servant leadership and turnover intention (Hakan et al., 2017), between organizational commitment and job satisfaction (Chi et al., 2018), and between emotional intelligence and retention (Mahfuz, 2013).

1.6 Scope of the study

This study is conducted to examine two issues. First, to examine the factors that influence motivation of employees in Yayasan Dakwah Islam Malaysia (YADIM). The factors are including job security, job enrichment, training, empowerment, transformational leadership, and salary. Second, this study examines the moderating effect of job satisfaction and job involvement as a moderator between the factors (job security, job enrichment, training, empowerment, transformational leadership, salary) and motivation.

1.7 Operational Definition

This section provides the operational definitions of the key terms used in the current study.

YADIM is a stand for Yayasan Dakwah Islamiah Malaysia which located in level 3 & 4, Block D, Kompleks Islam Putrajaya, No.3, Jalan Tun Razak, Presint 3, 62100 Putrajaya.

Motivation is a non-financial way to increase employee engagement and motivation, including praise, individual attention, and providing employees opportunities to take leadership roles in projects (Dewhurst, 2010).

Salary is a form of periodic payment from an employer to an employee, which is specified in an employment contract (Sharma & Bajpai, 2011).

Transformational leadership is a process in which leaders and followers help each other to progress to a higher level of morale and motivation (Burns, 1978). In this study transformational leadership consists of four aspects known as idealized influence, inspirational motivation, intellectual stimulation and individualized consideration.

Job enrichment as 'vertical loading' of a job. This means that a job enriched should provide various tasks to be done with enough feedback mechanisms, encouragement and communication (Davoudi, 2013). In this study, job enrichment defined in three scale which are task significance, task identity and skill variety.

Job security is explained as one's hope about attaining job situation. It involves relate to over failure of attractive job characteristics such as low chance of advancement opportunities, current working conditions, and long-term career opportunities (Greenhalgh & Rosenblatt, 1984; Jacobson, 1991, Greenhalgh & Sutton, 1991; Borg & Elizur, 1992).

Training and development focus on identifying, assuring and helping develop, the key competencies that enable individuals to perform current or future jobs through planned learning (McLagan, 1989).

Spreitzer (1997) defined two general perspectives of empowerment within a business context, the relational perspective and the psychological perspective. The relational perspective maintains that it is the implementation of new processes and the distribution of power that empower employees. On the other hand, the psychological perspective of empowerment focuses on the employee's perception of empowerment (Spreitzer, 1995, 1997; Thomas and Velthouse, 1990).

Locke (1976) defines job satisfaction as a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences. Job satisfaction is a fulfilling or optimistic expression consequential of the consideration of one's activity (Azash et al, 2011).

Kanungo (1982) defined job involvement as individual's perception or belief that he is identified with his/her job. He further clears the difference between job and work. He stated, a job means an individual's present work, while work means work in general.

1.8 The Thesis Outline

This first chapter has explained the background of the study, and the problem statement to justify the research on the basis of its important contributions to both theory and practice. Then, the chapter has introduced the research questions and the research objectives of this study. Following this, the chapter describes the scope and the significance of the study. Then, the chapter provides a conceptual definition for each variable included in this study and the thesis outline.

Chapter Two provides a discussion about the literature that related to motivation. The chapter begin with the introduction to the concept of motivation. Then, the chapter describes the theory that related to motivation. Following this, the chapter review the literature related to the factors that influence motivation. Six hypotheses have been developed in the end of discussion. The chapter also discuss about the potential role of job involvement and job satisfaction as a moderator. Finally, the chapter introduce the research framework, which have developed based on eight hypotheses proposed in this study.

Chapter Three provides a discussion about the methodological aspect in this study. The chapter begin with an introduction to research design of this study. Following this, the chapter explains about the population and sample that will be included in this study. Then, the chapter describes the method and procedure of data collection, and the measurements.

Chapter Four describes the results of data analysis. The chapter begins with the demographic profiles of the respondents. Following this, the chapter exhibits the results of assumption analysis and the analysis of exploratory factor analysis. Then, the result of hypothesis testing was also reported in this chapter.

Chapter Five discusses the result of data analysis presented in previous chapter four. The chapter begin with a brief recap of the research objective and research question of this study. following this, the results of the hypothesis testing were discussed in order to inline or oppose the results of previous studies. Then, the implications of this study were discussed in order to present the application of the results into practical scenario. Finally, the limitations of the research were presented and the future directions were given to guide future researchers on possible research gaps that are worth to be studied.

1.9 Conclusion

This chapter has explained the background of the study, and the problem statement to justify the research on the basis of its important contributions to both theory and practice. The chapter also has introduced the research questions and the research objectives of this study. Following this, the chapter describes the scope and the significance of the study. Then, the chapter provides a conceptual definition for each variable included in this study and the thesis outline. The next Chapter Two will provides a discussion about the literature that related to motivation including the concept of motivation, the theory that related to motivation, the literature related to the factors that influence motivation and also the research framework of this study.