

THE INFLUENCE OF INTEGRITY AND ISLAMIC SELF-REGULATION TOWARD TRANSFORMATIONAL LEADERSHIP ON MANAGEMENT OF SHARIA ORGANIZATION

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Abstract

The objective to be achieved in this research is to find how the influence of integrity to transformational leadership on management of sharia organization; the influence of islamic self-regulation toward transformational leadership on the management of sharia organizations; as well as the influence of Islamic self-integrity and self-regulation on transformational leadership on management of sharia organizations. The subject of research is the leader or managers of Baitul Maal wal Tanwiil (BMT) or sharia financial services cooperative in Banyumas, Central Java, Indonesia, which are 32 leaders. Criteria of the management are: occupy the element of leadership or have the role of managing people/leadership in job description and have subordinates in their work. Data were collected using questionnaires. The results showed that: there was a significant influenc of integrity toward transformational leadership; there was a significant influence of islamic self-regulation toward transformational leadership; and there was a significant influence of integrity and islamic self-regulation simultaneously toward transformational leadership.

Key Words: Integrity, Islamic Self-Regulation and Transformational Leadership

INTRODUCTION

Today, financial busines are becoming an important service industry in the dynamics of the world economy. Various economic policies are also conducted so that the impact of service industry in the field of finance both at the level of banking, financing, and insurance, both in the conventional (non-sharia) and sharia.

The example areas of competition among islamic financial busines in reaching customers in the regional are Banyumas City. Since 2010, there are 5 branches of islamic banks in Banyumas, are Bank Muamalat Indonesia (BMI), Bank Syariah Mandiri (BSM), BRI Syariah, BNI Syariah and Bank Mega Syariah, and several Sharia BPR and savings-loan services such as Baitul Maal wal Tanwiil (BMT) or sharia financial services cooperative whose numbers continue to increase (Republika, May 20, 2010), but in 2018 there are more than 18 branch of islamic banks and more than 11 of BMTs (<http://jateng.bps.go.id>).

With increasing numbers of competitors and increasingly fierce competition, the skills of leaders in the world of sharia financial busines is one of the keys to reach customers and to do a-

strategy to retain existing customers. To be required a leadership that can transform ideas and values to subordinates so that the human resources held and willing to provide good performance in the context of their main duties and functions, as well as in performing customer service becomes optimal as a consequence of private financial business.

Based on preliminary study, through interviews and observations on a number of heads and administrators of BMT X in Banyumas, found that established sharia organizations aimed at the struggle to uphold the sharia business and fight for the fate of the small people, in addition to looking at business opportunities among Muslims in order to realize fallah (common prosperity). To support the aims of the organization of sharia it requires a leadership in Islam becomes part of self-directed and its members to make the context of work as a worship behavior. It takes a leadership that can affect employee attitudes, perceptions, and behaviors in which there is increased trust in leaders, motivation, job satisfaction and is able to reduce the number of conflicts that often occur within an organization as described as transformational leadership. Thus, it is only natural that transformational leadership has been considered as one of the keys to achieving productivity and organizational maintenance in Indonesia.

In achieving its organizational objectives, a leader must know where the position is right or good in terms of behavior and the aspect of achieving that goal, so that will maintain the right and avoid the wrong or termed with integrity. The integrity of a leader will influence a leader managing his subordinates (Gostick and Telford, 2008).

To achieve success in leadership in sharia organizations, the management also requires the ability to manage the way to work on himself to achieve success over the program he runs. In this case as a self-regulation is an effort to regulate the behavior of work to support the achievement of success in work (Robbins & Judge, 2007).

Leadership on BMT in Banyumas district based on Islamic community economy and affiliated to organization of Muhammadiyah helps its members in self-development and organization for the managements, need integrity and self-regulation for running the program. Sharia managerial specificity provides a more specific understanding that work is not solely to earn a living, but also as a value of worship, so that people who become leaders and administrators on BMT display and regulate itself in an Islamic way of working as a good citizen in sharia organizations (Wibowo, 2011).

Based on the above explanation, it is necessary to do research on the influence of integrity and Islamic self-regulation towards transformational leadership on the management of BMT as a leader working in a sharia organization. The problem statement of the research is: the influence of integrity and islamic self-regulation towards transformational leadership?

LITERATURE REVIEW

1. Transformational Leadership

In general, leadership is expressed as an attempt to influence members of the group so that they are more willing to donate their ability to achieve group goals. Emphasized by Gibson, etc (2006) that the leadership as a form of persuasion, the art of directing a group of specific people, usually through 'human relations' and the right motivation, so without any fear they would cooperate and toil to understand and reach all what the goals of the organization.

One theory emphasizes a change in the most comprehensive and leadership is associated with the theory of transformational and transactional leadership. According to Robbins & Judge (2007), the initial idea of the transformational and transactional leadership style was developed by James Mac Fregor Gurns who apply them in a political context, further refined and introduced into the organizational context by Bernard Bass.

Experts theorist of transformational leadership stated that transformational leadership is more proactive than transactional leadership in terms of motivating subordinates to achieve better performance Sumantri & Wiganarto (2009). There are three ways a transformational leaders motivate their employees, those are: (1) encourage employees to be more aware of the significance of the results of operations; (2) encourage employees to put the interests of the group; and (3) increase the need for higher employee such as self-esteem and self-actualization.

Transformational leader expects subordinates in the equivalent behavior psychological contract between the leader with subordinates. Bass (1985) suggests that there are four characteristics of transformational leadership, namely:

- a. Individual stimulation.
- b. Individual consideration.
- c. Inspirational motivation.
- d. Idealized influence.

Related to the effect of transformational leadership style on the behavior of subordinates, Robbins a& Judge (2007) suggests that transformational leadership style is a key factor that affects the attitudes, perceptions, and behavior of follower where an increase in confidence in the leader, motivation, work satisfaction and can reduce the number of conflicts which often occurs in an organization.

2. Self-regulation

Bandura (1986, in Wibowo, 2013) as the originator of social cognitive theory that suggests the notion of self-regulation as the ability to control their own behavior and one of the prime movers of the human personality, as long as the individual is able to make the ability to control

the process of psychology and behavior then he can effectively adapt to its environment. Furthermore, Syriac (Ghufron & Risnawita, 2010) states that self-regulation is not a mental abilities such as intelligence or academic ability, but the process of directing individual to change its mental abilities become skilled in some form of activity.

The authors agree with Bokaerts (2000) argued that self-regulation can be understood as the use of a process which activates thoughts, behaviors, and affective that is continuously in an effort to achieve personal goals that have been set.

In theory essentially, in terms of self-regulation described as: "that is guided by metacognition (thinking about one's thinking), strategic action (planning, monitoring, and evaluating personal progress against a standard), and motivation" (Bokaerts, 2000). Aspects of self-management was expanded by some researchers to be applied in the move, according to the third aspect (Ghufron & Risnawita, 2010), they are: metacognition, motivation and active behavior. The third aspect of the individual when used appropriately according to the needs and conditions will be optimal self-management support.

Based on social cognitive perspective Zimmerman (Wibowo, 2013) and Bokaerts (2000), self-regulation process is described in three phases rotation:

- a. Forethought phase or planning, relates to the processes that influence which precedes the effort to act, and also includes the process in determining the steps to achieve the goals he has set;
- b. Phase performance or volitional control, includes the processes that occur during a person acts in an effort to achieve the goals set in the previous phase; and
- c. Phase self-reflection, includes the process that occurs after someone make efforts to achieve the goals that have been set, and the influence of the response (feedback) on experiences which later will affect the forethought phase in setting goals and the steps that must be implemented.

The third phase is continuously repeated and form a cycle, because feedback from previous behavior used to make adjustments in the next attempt. The adjustment is necessary because of personal factors, behavior, and environment are constantly changing during the process of learning and behavior.

Meanwhile, according to Bandura (Wibowo, 2013) and Bokaerts (2000) self-regulation is the ability to control one's own behavior, which is embodied in a system of regulation with the stages as follows: self-observation, judgment process, and self-reaction. Stages mentioned above is then used as an indicator of self-regulation by [10] with the following modifications: (1) setting standards and goals; (2) self-observation; (3) self-judgment; and (4) self-reaction.

In the context of self-regulation in work, as described in the concept of self-regulation of Cervone (2006) and self-regulation behavior in working settings according to Suresh defined as "constructive active process whereby a person sets goals for their work and then seeks to monitor, and control their cognition, emotions, motivations and actions, are guided and limited by their purpose and the contextual features of the work environment ", the self-regulation study in work is closely related to the ultimate goal of working. As Kuntowijoyo (2006) states how self-regulation in Islam, how the behavior of a Muslim as a process of thinking and acting must have a clear connection with Islam as a whole. The activities of a Muslim, ideally always in the corridor of rules set by Allah SWT, as Allah commands him in translation of QS Al Anam (6) verse 162 follows:

"Say: Verily my prayer, my worship, my life, and my death are only for Allah, the Lord of the Worlds" (Al Qur'an: al-An'am (6) verse 162).

Based on the above paragraph, explicitly explained that all activities of a Muslim should be regulated in order to have the ultimate goal that all activities are used to serve God Almighty. The aspects of self-regulation with Islamic values, related to self-regulation theory according to Zimmerman (Wibowo, 2013) is how self-regulation is applied by a Muslim Muslim and his religious values. As described above, that the regulations or rules in Islam there are three main components or structure, namely: *aqidah* or faith, *syari'at*, and morals, which is applied in the values of work and activity.

Based on the above study, cognitively, a Muslim regulates himself in working not just an employee planning / arranging his work, even metacognitively starting from the intentions that exist in his cognition. A Muslim will work in his position of worshiping both to his god who is Allah SWT and make love in life. In this case it is stated that self regulation in Islamic work shows a cognitive, motivated, and behaviorally regulated work activity.

"Surely Allah loves those who do a job, done in an itqan (proper, directed, clear and complete)." (HR Thabrani, in Al-Mu'jam Al-Ausht VII / 380).

Cognitively also, a Muslim regulates himself in the work should be monitoring and reflection on his behavior, so that confidently has done its work activities according to religious law, and see it not only the implications in the world but also in the *akherat* later (judgment day), after his death.

"O you who believe! Fear God, and let every soul consider what it has forwarded for the morrow, and fear God. God is Aware of what you do" (Al Qur'an: al-Hashr (59) verse 18)

Based on the above description can be concluded that the aspect of self-regulation of Islamic in the work consists of: (1) cognition direction work according to Islamic *aqidah*; (2) the direction of Islamic motivation; and (3) the direction of Islamic working behavior.

3. Integrity

Integrity is a concept of consistency of actions, values, methods, steps, principles, expectations, and results (Arifin, 2007; Gostick and Telford, 2008). In ethics, integrity is regarded as honesty and truth which is the verb or accuracy of one's actions. Integrity can be regarded as the opposite of hypocrisy, in which considers internal consistency as a virtue, and suggests that those who hold seemingly conflicting values should be open to differences or change their beliefs.

The definition of integrity according to the dictionary of competence is to act consistently in accordance with the policies and codes of conduct of the organization. Have the understanding and desire to adapt to these policies and ethics, and act consistently even when it is difficult to do so (Spencer & Spencer, in www.hrcentro.com). Integrity as a psychological construct impacting on workplace behaviour is receiving a considerable amount of attention in various industrial and organisational psychology domains, such as leadership, organisational dynamics, employee wellness and employee selection. More specifically, it has been found to be a central trait of effective leaders (Sun, etc, 2018), a principal determinant of trust in organisations, a component of employee wellness, an essential component of productive work relationships and a fairly valid predictor of job performance and counterproductive behaviour.

Integrity can be seen from the following characteristics: to regard small things as sensitive, to make decisions carefully and not to rush, to be responsible, to create a culture of trust, to keep promises, to promote common goodness, not personal gain, honesty, action began carefully and memmiliki consistent (Gostick and Telford, 2008).

According to Neuman (Arifin, 2007), integrity is divided into two: the overt integrity and covert integrity:

- a. overt integrity of attitudes and behaviors related to theft and counterproductive; and
- b. covert integrity is based on the personality aspect and measures some tricks such as conscientiousness or affability that are predictors of honesty in the field of work.

OBJECTIVES

The objective to be achieved in this research is to find how the influence of integrity to transformational leadership on the organizers of sharia organization; the influence of Islamic self-regulation on transformational leadership on the organizers of sharia organizations; as well as the influence of islamic self-integrity and self-regulation on transformational leadership in the organizers of sharia organizations.

METHODOLOGY

This study uses a research design that is an explanatory research that highlights the relationship between research variables and test the hypothesis that has been stated previously. This research focuses on how the influence of the integrity and Islamic self-regulation towards transformational leadership. Thus will be seen the role and relationship between variables. Independent variables in this research are: integrity and islamic self-regulation. The dependent variable in this research are: transformational leadership.

The subject of research is the leaders or managers of Baitul Maal wal Tanwiil (BMT) or sharia financial services cooperative in Banyumas, they are: BMT Dana Mentari, BMT Amanah, BMT El Mentari, BMT Al Amin, BMT Mitra Mentari, and BTM Muhammadiyah Patikraja, which are 40 managers. Criteria of the manager are:

1. occupy the element of leadership or have the role of leadership in job description; and
2. have subordinates in their work.

Data were collected using questionnaires. In the implementation of the research of 40 questionnaires distributed, 8 questionnaires did not return. So, total of questionnaires that returned, feasible and can be analyzed ie a number of 32 questionnaires.

RESULTS

Based on the calculation of the structure flow analysis, the following is the findings of data calculation results in a simple regression analysis using the program SPSS For Windows Release 19.00:

1. R or correlation coefficient

Table 4
Correlation Coefficient

		Transformation Leadership	Religiusity	Self- Regulation
Pearson Correlation (R)	Transformation Leadership	1.000	.501	.496
	Integrity	.501	1.000	.377
	Self Regulation	.496	.377	1.000
Sig. (1-tailed)	Transformation Leadership	.	.000	.001
	Integrity	.000	.	.008
	Self Regulation	.001	.008	.
N	Transformation Leadership	40	40	40
	Integrity	40	40	40
	Self Regulation	40	40	40

The R value explains the degree of relationship between integrity (X₁) and self-regulation (X₂) with transformational leadership (Y). From the analysis results obtained correlation coefficient value X₁ to Y of .501, also obtained the value of correlation coefficient X₂ to Y of .496.

2. Test of Linear Model

Table 5
Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1153.241	2	576.621	10.450	.000 ^a
	Residual	2041.534	37	55.177		
	Total	3194.775	39			

- a. Predictors: (Constant), self-regulation, integrity
 b. Dependent Variable: transformational leadership

F table at .05 significance level of 3.25. From the results above can be seen that $F > F_{table}$ ($10.450 > 3.25$), concluded that linear model, $Y = a + bX$ is appropriate and can be used. It can be seen that the probability value is $.00 < .05$, meaning the model is accepted or it can be concluded that the form of the linear equation $Y = a + bX$ is correct.

3. Hypothesis testing

Table 6.
Coefficient

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	16.694	18.771		.889	.380
	Integrity	.682	.264	.366	2.578	.014
	Self-Regulation	.406	.161	.358	2.523	.016

Hypothesis Testing 1:

"There is an influence of integrity toward transformational leadership"

Viewed from the table above coefficient, the results of calculation of the influence of integrity (X₁) on transformational leadership (Y) obtained t calculated by 2.578 with table $(1/2 \ 0.05; 38) = 2.024$. Because $t > t_{table}$, then H_0 is rejected, it means that integrity has significant influence on transformational leadership.

Hypothesis Testing 2:

" There is an influence of islamic self-regulation toward transformational leadership"

Seen from the table above coefficient, the calculation of the influence of islamic self-regulation (X_2) on transformational leadership (Y) obtained t count of 2.523, with the result of calculation t table equal to 2.024, then $t > t$ table, with the conclusion H_0 is rejected, it means that islamic self regulation influence on transformational leadership.

Hypothesis Testing 3:

"There are the influence of integrity and islamic self-regulation toward transformational leadership"

Table 7.
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 ^a	.361	.326	7.428

The coefficient of determination describes how variations of Y caused by X_1 and X_2 are simultaneous. Seen from the table above coefficient, can be read the value of R square (R_2) of .361 means that the contribution of integrity and self-regulation simultaneously that directly affect the transformational leadership of R_2 of 36.1%, the rest of 63.9% influenced by factors other than the unexplained equations in this study.

DISCUSSION

The result of correlation test shows that between the integrity and islamic self-regulation with transformational leadership shows a positive relationship, because the two variables with the correlation respectively .501 and .496. It turns out that the role of integrity and islamic self-regulation directly affect the transformational leadership, because $t > t$ table, which means H_0 is rejected, meaning that both variables significantly influence the transformational leadership. In the context of organizing, it turns out that the management of BMT who has integrity and islamic self-regulation certainly has the ability and willingness to lead and manage the organization of sharia inspirational and motivative to members of the organization.

In further examination, in the previous study it was found that integration has significant effect on transformational leadership (Wibowo and Suwarti, 2013). This research is applied to the administrators/leaders of youth organization of Karang Taruna. Bass (1985) and Sumantri &

Wiganarto (2009) suggest that transformational leadership theory emphasizes the dramatic effect a leader has on his subordinates. In Indonesia, which is in an eastern culture whose people tend to have empathy and attach importance to integrity as one of the ideal leaders, integrity becomes one of the strengthening types of transformative leadership to find its purpose. Normatively related to fairness and honesty, such dramatic effects will create better conditions for strategic dissemination, mission, and goals, as well as better subordinate acceptance levels.

Hypothesis testing also proves that self-regulation directly affects transformational leadership. The research is in the context of how a management or leader in a self-regulated sharia organization tends to direct itself a management of sharia organization to lead and manage the organization of the cadets against the efforts of its members to want to move and work for the organization. Correlation between the two variables with a correlation of .496 and obtained the calculation results that the effect of self-regulation of transformational leadership with t of 8.405 to compared with t table of 2.024. Because t count $>$ t table, H_0 is rejected, meaning that self-regulation directly influences to transformational leadership (Wibowo and Wulandari, 2013).

In its application to a management member of Baitul Maal wal Tanwiil (BMT) as a leader in sharia organization will self-regulate by activating thoughts, feelings, and behaviors in order to achieve personal and organizational goals that have been established to serve and transform their environment or social support in running Sharia organization program according to Islamic religious rules. The self-regulation directs its activation towards a higher goal of self-actualization, community service, and worship.

Overall, this study has not yet explored the possible factors that have contributed to the influence of transformational leadership especially on non-profit organizations. Organizational factors will also affect how an management or leader in a sharia organization performs its role and is willing to give the best to its organization.

The correlation of islamic self-regulation, integrity, and transformational leadership with .601, indicating the selection of both variables as a transformational leadership antecedent test is sufficiently accurate, but generally still indicates the role of other factors outside the variable discussed in this study amounted to .639. A study at Ohio University found that the lowest employee turnover rate and higher satisfaction levels were under employee-oriented leaders, some of the characteristics of transformational leadership considered more human-oriented. Conversely leaders who are too task-oriented get complaints and employee turnover is higher.

CONCLUSIONS AND RECOMMENDATIONS

Based on the results and discussion, the authors take the following conclusions:

- a. there is a significant influence of integrity toward transformational leadership;
- b. there is a significant influence of islamic self-regulation toward transformational leadership; and
- c. there is a significant influence of integrity and islamic self-regulation toward transformational leadership.

Based on the results of the above research, the researcher gives recommendation for the management or management of sharia organization to consider to form work culture and work climate that support the positive integrity of its employees, and the work pattern that develop islamic self-regulation at workplace, because it proves that it affects transformational leadership, it's the theory that transformational leadership will improve organizational performance and work productivity. For future researchers, consideration should be given to developing more extensive research, linking transformational leadership with other variables, such as emotional intelligence, self-control, self-belief, and so on. The population or sample used should be imposed on various types of organizations, both profit and non-profit organizations, thus providing a more comprehensive picture of the role of integrity and islamic self-regulation on transformational leadership.

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