Sharia Economic and Management Business Journal (SEMBJ)

| Volume 8, Issue 1 2027 | Page 1-11 |
https://doi.org/10.62159/sembj.v8i1.2531
ISSN-Online: 2774-2679
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https://siducat.org/index.php/sembj

Unpacking Employee Performance in the New Way of Working Era: The Roles of Work Ethics, Work Motivation, and Job Satisfaction in Indonesia's Banking Sector

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ARTICLE INFO

Keywords:
Employee Performance; Job Satisfaction; New Way of Working; Work Ethics; Work Motivation;

ABSTRACT

Background: Organizational transformation through the New Way of Working (NWOW) has reshaped employees' work patterns, responsibilities, and performance expectations, particularly in the banking industry. While NWOW enhances organizational agility and flexibility, it also creates challenges related to employees' adaptation to changing work demands. Therefore, understanding the behavioral and psychological factors that influence employee performance is essential. This study examines the effects of work ethics and work motivation on employee performance, with job satisfaction acting as a mediating variable.
Method: This study employed a quantitative approach with an explanatory and correlational research design. The study was conducted at a regional office of an Indonesian state-owned banking company that has implemented NWOW. A census sampling technique was applied, involving 165 employees working in service and sales functions who met the inclusion criteria. Primary data were collected through a structured questionnaire using a five-point Likert scale. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 software.
Results: The findings reveal that work ethics and work motivation have significant positive effects on both job satisfaction and employee performance. Job satisfaction also significantly influences employee performance and partially mediates the relationships between work ethics and employee performance as well as between work motivation and employee performance.
Conclusion: Employee performance in the NWOW context is influenced not only by organizational transformation but also by behavioral and psychological factors. Strengthening work ethics, maintaining employee motivation, and fostering job satisfaction are essential strategies for sustaining employee performance and supporting successful organizational transformation.

Received: 6/20/2026 **Revised:** 9/13/2026 **Accepted:** 9/19/2026

How to cite this article:
Tanjung, M.N.Z., Suryadi, N., & Azzuhri, M. (2026). Unpacking Employee Performance in the New Way of Working Era: The Roles of Work Ethics, Work Motivation, and Job Satisfaction in Indonesia's Banking Sector. Sharia Economic and Management Business Journal (SEMBJ), 8(1), 1-11. https://doi.org/10.62159/sembj.v8i1.2531

INTRODUCTION

Employee performance has become a critical determinant of organizational sustainability, particularly in industries experiencing rapid technological and structural transformation. Organizations increasingly rely on employees as strategic assets to maintain competitiveness and achieve long-term organizational goals (Muriuki & Wanyoike, 2021). Employee performance reflects not only employees' ability to accomplish their tasks but also their adaptability to organizational changes and dynamic work environments (Darvishmotevali & Ali, 2020; Werdhiastutie et al., 2020). The banking industry is currently undergoing substantial transformation driven by digitalization increasing market competition and evolving customer expectations. These changes have compelled banking institutions to redesign their business strategies and prioritize sustainable performance management (Zhengmeng et al., 2024). Many organizations have adopted innovative work systems to improve organizational agility, collaboration and productivity.

One of the approaches widely implemented is the New Way of Working (NWOW) which emphasizes flexibility, autonomy, collaboration and results-oriented work practices. In state-owned banking company has implemented NWOW as part of its organizational transformation strategy. This initiative aims to establish a more agile organizational culture while aligning employees' responsibilities with strategic business objectives. However such transformation also alters employees' performance expectations and workloads. Changes in Key Performance Indicators (KPIs) shifting from a balanced service-business orientation toward a greater emphasis on business achievement have increased employees' responsibilities and created new challenges for performance sustainability (Mtau & Rahul, 2024).

Internal organizational data indicate a decline in employee productivity from 155% in 2023 to 147% in 2024 suggesting that increased work demands have not been fully accompanied by employees' readiness and adaptive capacity. Moreover preliminary interviews revealed reductions in creativity, discipline, teamwork and work quality due to increased workloads and limited time resources. These findings indicate that behavioral and psychological factors are becoming increasingly important in maintaining employee performance particularly in work systems characterized by reduced direct supervision.

Organizational transformation requires employees not only to possess technical competencies but also to demonstrate appropriate work attitudes and behaviors (Lailla & Mardi, 2022). Accordingly work ethics has emerged as a crucial factor in supporting sustainable organizational performance. Work ethics refers to a set of beliefs and values manifested through behaviors such as self-reliance, hard work morality and effective time management (Miller et al., 2002). Strong work ethics encourage employees to work responsibly, professionally, and consistently toward organizational objectives (Daley & Gervais, 2020). Previous studies have demonstrated that work ethics positively influences employee performance especially in highly competitive environments (Bataineh, 2020; Osibanjo et al., 2015). Furthermore in flexible work systems such as NWOW work ethics becomes increasingly important because employees are required to manage their work independently with minimal direct control (Runić-Ristić et al., 2024).

Work motivation is another important determinant of employee performance. According to Expectancy Theory employees are motivated to exert greater effort when they believe their efforts will lead to desirable performance outcomes and valuable rewards (Vroom, 1964). Within the NWOW context, employees are expected to become more autonomous and proactive in managing their responsibilities. Therefore, maintaining work motivation is essential to sustain productivity, commitment and organizational engagement. However the relationships between work ethics, work motivation, and employee performance may not be entirely direct. Job satisfaction may serve as an important psychological mechanism that explains how these factors translate into improved performance outcomes. Previous studies suggest that work ethics and work motivation can enhance job satisfaction, which subsequently contributes to higher employee productivity and organizational loyalty (Jonck et al., 2017; Runić-Ristić et al., 2024). Employees who experience greater satisfaction tend to exhibit stronger commitment, lower turnover intentions and better performance outcomes.

This study incorporates the Person–Organization Fit (P–O Fit) perspective which suggests that employees are more likely to perform effectively when their personal values are congruent with organizational values and work demands. Value congruence may facilitate employees' adaptation to organizational changes, strengthen positive work attitudes, and encourage desirable work behaviors. In the context of this study, employees whose personal values are aligned with Bank ABCs' AKHLAK organizational culture and the requirements of the New Way of Working (NWOW) may adapt more successfully to greater autonomy, flexibility, collaboration, and accountability, thereby supporting higher levels of work motivation, job satisfaction, and employee performance. In addition to P–O Fit, these relationships can be understood from an Islamic perspective, which is relevant to the scope of Islamic economic and management studies (Chaerudin & Pakkanna, 2024). In Islam work is not merely an economic activity but may constitute ibadah (worship) when performed with sincere intention and in accordance with Islamic principles. Employees are expected to regard their responsibilities as an amanah (trust) and perform their duties with ihsan (excellence) and itqan (professionalism, precision, and mastery). Islamic values also emphasize tawakkul (reliance on Allah), whereby individuals are encouraged to exert their best efforts while entrusting the outcomes to Allah, as well as 'adl (justice) and tawazun (balance) in maintaining fairness and balance between employee and organizational interests (Setiawan, 2022). These principles provide an ethical and spiritual foundation for work ethics, motivation, and responsible employee behavior.

The integration of P–O Fit and the Islamic perspective is particularly relevant in the NWOW context, where employees are required to manage their responsibilities with greater autonomy and accountability under reduced direct supervision. While P–O Fit explains how alignment between individual and organizational values may facilitate adaptation and positive employee outcomes, Islamic principles provide an ethical and spiritual foundation for how employees exercise such autonomy and fulfill their responsibilities. Thus employee performance should not be understood solely in terms of achieving organizational targets but also in terms of responsible, ethical, and value-based work behavior (Darvishmotevali & Ali, 2020; Werdhiastutie et al., 2020; Setiawan, 2022).

Therefore this study aims to develop a more comprehensive understanding of employee performance by examining the effects of work ethics and work motivation on employee performance through the mediating role of job satisfaction within the NWOW context. This study contributes theoretically by extending Social Exchange Theory and Person–Organization Fit perspectives in explaining employee behavior during organizational transformation. Practically the findings may provide valuable insights for banking institutions in designing human resource management strategies that support sustainable employee performance during organizational change.

METHOD

This study employed a quantitative approach with an explanatory research design to examine the relationships among work ethics, work motivation, job satisfaction, and employee performance within the context of organizational transformation. The study aimed to investigate both the direct and indirect effects of work ethics and work motivation on employee performance through the mediating role of job satisfaction. A quantitative approach was considered appropriate because it enables the empirical measurement of social phenomena through numerical indicators and statistical procedures, allowing objective and generalizable findings to be generated (Hair et al., 2017).

The study was conducted at a regional office of an Indonesian state-owned banking company that has implemented the New Way of Working (NWOW) as part of its organizational transformation strategy. The population consisted of 165 employees working in service (frontliner) and sales functions distributed across 14 operational units. A census (saturated sampling) technique was employed, whereby all members of the population who met the inclusion criteria were selected as respondents. The inclusion criteria required respondents to have worked in the organization for at least one year and to occupy positions directly evaluated through the updated Key Performance Indicator (KPI) system. The census approach was adopted to minimize sampling errors and provide a comprehensive representation of employees affected by organizational changes (Sugiyono, 2019).

Primary data were collected using a structured closed-ended questionnaire with a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instrument measured employees' perceptions regarding work ethics, work motivation, job satisfaction, and employee performance. To

ensure measurement accuracy, the outer model was evaluated through convergent validity, discriminant validity, and reliability assessments using factor loadings, Average Variance Extracted (AVE), Composite Reliability (CR), and Cronbach's Alpha (Hair et al., 2017; Ghozali, 2021). Secondary data were obtained from organizational documents, previous studies, scientific articles, and other relevant literature.

Data analysis was performed using Structural Equation Modeling–Partial Least Squares (PLS-SEM) with SmartPLS 4 software. PLS-SEM was selected because it is suitable for analyzing complex relationships among multiple latent constructs and simultaneously examining direct, indirect, and mediating effects (Hair et al., 2017). Moreover, this approach is advantageous because it does not require multivariate normality assumptions, can accommodate medium-sized samples, and has strong predictive capabilities (Henseler et al., 2009; Ghozali & Latan, 2015). The structural model was evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), and effect size (f^2). Hypotheses and mediation effects were subsequently tested using the bootstrapping procedure with a significance threshold of $p < 0.05$ and a t-statistic greater than 1.96 (Hair et al., 2017).

RESULTS AND DISCUSSION

Respondent characteristics examined in this study included gender, age, length of service and job role. Based on the results of the questionnaire distribution the following characteristics of the respondents were identified

Table 1. Respondent Characteristics

Characteristics		Frequency	Percentage
Gender	Male	59	35,8%
	Female	106	64,2%
Total		**165**	**100%**
Age	25-35 year old	96	58,2%
	36-45 year old	53	32,1%
	> 46 year old	16	9,7%
Total		**165**	**100%**
Lenght of Service	1-8 years	65	41,2%
	9-17 years	80	48,5%
	18-26 years	17	10,3%
Total		**165**	**100%**
Job Role	Frontliner Service	39	23,5%
	Business & Relationship	74	44,8%
	Operational & Administration	35	21,2%
	Managerial	17	10,3%
Total		**165**	**100%**

Source: Data processed with Smart PLS 4 (2026)

Based on the respondents' demographic characteristics, the majority of employees were female, accounting for 106 respondents (64.2%), while male employees represented 59 respondents (35.8%). In terms of age distribution, most respondents were between 25–35 years old (58.2%), followed by those aged 36–45 years (32.1%) and those older than 46 years (9.7%). Regarding length of service, the largest proportion of respondents had worked for 9–17 years (48.5%), followed by employees with 1–8 years of service (41.2%) and 18–26 years of service (10.3%). Based on job roles, most respondents worked in Business and Relationship functions (44.8%), followed by Frontliner Service (23.5%), Operational and Administration (21.2%), and Managerial positions (10.3%). These findings indicate that the workforce was predominantly composed of female employees, individuals in their productive working age, and employees with considerable organizational experience, suggesting that the respondents possessed sufficient exposure to organizational transformation and the implementation of the New Way of Working (NWOW) system.

Table 2. Construct Validity and Reliability Result

Variable	Indicator	Outer Loading	AVE	Cross Loading	Cronbach's Alpha	Composite Reliability
Work Ethics (X1)	X1.1	0,850	0,673	0,850	0,838	0,892
	X1.2	0,839		0,839		
	X1.3	0,790		0,790		
	X1.4	0,800		0,800		
Work Motivation (X2)	X2.1	0,810	0,643	0,810	0,815	0,878
	X2.2	0,827		0,827		
	X2.3	0,753		0,753		
	X2.4	0,817		0,817		
Employee Performance (Y)	Y.1	0,809	0,610	0,809	0,788	0,862
	Y.2	0,753		0,753		
	Y.3	0,801		0,801		
	Y.4	0,760		0,780		
Work Satisfaction (Z)	Z.1	0,747	0,569	0,747	0,749	0,841
	Z.2	0,758		0,758		
	Z.3	0,730		0,730		
	Z.4	0,782		0,782		

Source: Data processed with Smart PLS 4 (2026)

The measurement model evaluation indicates that all constructs demonstrated satisfactory validity and reliability. The outer loading values ranged from 0.730 to 0.850, exceeding the recommended threshold of 0.70, indicating that all indicators adequately represented their respective latent constructs. Furthermore, the Average Variance Extracted (AVE) values for Work Ethics (0.673), Work Motivation (0.643), Employee Performance (0.610), and Work Satisfaction (0.569) were all above 0.50, confirming adequate convergent validity. Discriminant validity was also achieved, as each indicator exhibited higher cross-loading values on its corresponding construct than on other constructs. In addition, the reliability assessment showed that all constructs had Cronbach's Alpha values ranging from 0.749 to 0.838 and Composite Reliability values ranging from 0.841 to 0.892, both exceeding the acceptable threshold of 0.70. These findings suggest that the measurement model is valid, reliable, and suitable for subsequent structural model analysis.

Table 3. Hypothesis Testing

Hypothesis		Coefficient	t-statistic	p-value
H1	Work Ethics influence Employee Performance	0,228	3,122	0,002
H2	Work Ethics influence Work Satisfaction	0,259	3,309	0,001
H3	Work Motivation influence Employee Performance	0,221	3,259	0,001
H4	Work Motivation influence Work Satisfaction	0,308	4,374	0,000
H5	Work Satisfaction influence Employee Performance	0,258	3,126	0,002
H6	Work Ethics influence Employee Performance mediated through Work Satisfaction	0,067	2,275	0,023
H7	Work Motivation influence Employee Performance mediated through Work Satisfaction	0,080	2,515	0,012

Source: Data processed with Smart PLS 4 (2026)

The hypothesis testing results indicate that all direct relationships proposed in the research model are positive and statistically significant. Work ethics has a significant positive effect on employee performance ($\beta = 0.228$, $t = 3.122$, $p = 0.002$) and work satisfaction ($\beta = 0.259$, $t = 3.309$, $p = 0.001$). These findings suggest that employees with stronger work ethics, characterized by responsibility, discipline and professional behavior, tend to exhibit higher levels of job satisfaction and better performance outcomes. This result highlights the importance of fostering ethical work values particularly in organizational environments undergoing transformation. Similarly work motivation significantly influences both employee performance ($\beta = 0.221$, $t = 3.259$, $p = 0.001$) and work satisfaction ($\beta = 0.308$, $t = 4.374$, $p < 0.001$). In addition work satisfaction positively affects employee performance ($\beta = 0.258$, $t = 3.126$, $p = 0.002$). Among these relationships the strongest direct effect was observed between work motivation and work satisfaction, indicating that motivated employees are more likely to

experience positive feelings toward their jobs which subsequently contribute to improved performance. These findings support the notion that motivational factors remain essential for maintaining employee productivity and engagement in dynamic work environments.

The mediation analysis further revealed that work satisfaction significantly mediates the relationship between work ethics and employee performance (β = 0.067, t = 2.275, p = 0.023), as well as the relationship between work motivation and employee performance (β = 0.080, t = 2.515, p = 0.012). These results indicate that work ethics and work motivation not only directly enhance employee performance but also indirectly improve performance by increasing employees' work satisfaction. Therefore work satisfaction serves as an important psychological mechanism through which positive work attitudes and motivational factors are translated into better performance outcomes within the context of organizational transformation.

Table 4. Coefficient Determination Test

Variable	R-Square
Work Ethics and Work Motivation influence Work Satisfaction	0,193
Work Ethics and Work Motivation influence Employee Performance mediated through Work Satisfaction	0,266

Source: Data processed with Smart PLS 4 (2026)

The results indicate that work ethics has a positive and significant effect on employee performance (β = 0.228; t = 3.122; p = 0.002). Although the effect size is categorized as moderate, these findings suggest that employees who possess stronger ethical values tend to demonstrate higher levels of performance. In the context of organizational transformation through the NWOW employees are increasingly required to manage their own responsibilities without intensive supervision. Therefore ethical values such as discipline, integrity, responsibility and effective time management become essential determinants of performance. This finding supports the argument of Miller et al. (2002) who conceptualized work ethics as a multidimensional construct encompassing hard work, self-reliance, morality and efficient use of time. Furthermore these findings are consistent with previous studies showing that employees with strong work ethics are more capable of maintaining sustainable performance under dynamic work environments (Bataineh, 2020; Osibanjo et al., 2015).

The findings can be understood within the context of the NWOW which represents a transformation in how employees organize, execute, and evaluate their work. NWOW emphasizes greater flexibility, autonomy, collaboration, adaptability, and results-oriented performance, thereby shifting employees from conventional work patterns toward greater responsibility for managing their own tasks and achieving organizational targets. In the banking sector, this transformation is particularly relevant because employees are required to respond to changing customer expectations, digitalization, competitive pressures, and evolving performance indicators. The implementation of NWOW is intended to create a more agile working environment and encourage employees to become proactive, adaptive, collaborative, and accountable in responding to organizational changes. However, greater autonomy also requires employees to possess sufficient behavioral capacity to regulate their work without intensive direct supervision (Lee & Edmondson, 2017). The decline in organizational productivity from 155% in 2023 to 147% in 2024 therefore indicates that structural transformation alone may not automatically produce sustainable performance improvements. Instead, the effectiveness of NWOW depends on employees' ability to adapt their work behavior, maintain ethical standards, and sustain motivation under changing workloads, KPI requirements, and performance expectations (Lailla & Mardi, 2022).

The findings can be explained through Social Exchange Theory, which emphasizes that reciprocal relationships between employees and organizations shape employees' attitudes and work behaviors (Blau, 1964). In the context of the New Way of Working (NWOW), organizational practices that provide greater autonomy, flexibility, and opportunities for collaboration may encourage employees to reciprocate through responsible and productive work behaviors. The effectiveness of these practices depends on employees' ability to adapt to changing responsibilities and performance expectations. Lee and Edmondson (2017) explain that less-hierarchical organizational structures redistribute authority and decision-making responsibilities, creating opportunities for greater employee autonomy while also raising challenges related to coordination and organizational control.

Lailla and Mardi (2022) through a systematic literature review found that organizational change involving organizational strategy, culture, structure, technology, communication, leadership and employee development is associated with employee performance. Their findings highlight that organizational transformation involves more than structural adjustments as it also requires attention to the human and behavioral dimensions of change. Rhoades and Eisenberger (2002) demonstrated that perceived organizational support is associated with positive employee outcomes, including greater job satisfaction and affective commitment and reduced withdrawal behavior. This evidence is consistent with the reciprocal mechanism proposed by Social Exchange Theory whereby employees may respond positively when they perceive that their organization values their contributions and well-being.

The findings are also consistent with the Person–Organization Fit perspective which emphasizes the importance of compatibility between individual and organizational values (Kristof, 1996). Employees whose personal values align with organizational expectations may adapt more effectively to organizational transformation and develop more positive work attitudes. This argument is supported by Kristof-Brown et al. (2005), whose meta-analysis demonstrated that person–organization fit is associated with employee attitudes and other work-related outcomes. In the present study, employees who demonstrate strong work ethics may be better positioned to respond to NWOW requirements, including autonomy, collaboration, and accountability, because these demands are more likely to be consistent with their personal standards of responsibility and professionalism. Furthermore the positive relationship between work motivation and employee performance can be interpreted through Expectancy Theory which proposes that employees are more willing to exert effort when they believe their efforts will lead to desirable performance outcomes and valued rewards (Vroom, 1964). Previous research by Osibanjo et al. (2015) also examined the relationship between work ethics and employee job performance, while Runić-Ristić et al. (2024) investigated work ethics, cultural influences, and perceived performance across different national contexts. These studies reinforce the importance of ethical values, motivational factors, and organizational context in understanding employee performance.

From an Islamic perspective these findings can also be understood through the Islamic Work Ethics framework, which views work as having not only economic but also moral and social dimensions and emphasizes effort, transparency, and morally responsible conduct (Ali & Al-Owaihan, 2008). In this framework work can be understood as ibadah when performed with sincere intention and in accordance with Islamic principles, while employees are expected to regard their responsibilities as an amanah and perform their duties with ihsan and itqan. These values are particularly relevant to NWOW because greater autonomy requires employees to maintain responsibility and performance even in the absence of intensive direct supervision. The principle of tawakkul complements individual effort by encouraging employees to exert their best efforts while placing their reliance on Allah, while the principles of ‘adl (justice) and tawazun (balance) emphasize fairness and balance in organizational relationships. Empirically, Aflah et al. (2021) found that Islamic Work Ethics positively influences Islamic motivation and job satisfaction, while Islamic motivation and job satisfaction contribute positively to employee performance. Therefore the present findings suggest that organizational transformation should not focus exclusively on structural and technological changes but should also strengthen employees’ ethical and motivational capacities.

The study also revealed that work ethics significantly influences job satisfaction ($\beta = 0.259$; $t = 3.309$; $p = 0.001$). This finding suggests that employees who work in accordance with strong ethical principles tend to experience higher satisfaction levels. Employees who perceive themselves as responsible, disciplined, and aligned with organizational values are more likely to develop positive emotional evaluations of their jobs. This result aligns with Locke's (1976) Value Theory which argues that job satisfaction emerges when work experiences are consistent with individuals' values. In the banking sector, where professionalism and trust are fundamental, ethical congruence may enhance employees' sense of accomplishment and psychological comfort ultimately increasing job satisfaction.

The positive relationship between work ethics and job satisfaction can be explained through the Person–Organization Fit (P–O Fit) perspective (Kristof, 1996). Employees whose personal values are congruent with organizational values are more likely to experience better adjustment, positive attitudes, and satisfaction with their work. In the context of NWOW, employees are required to demonstrate greater autonomy, adaptability, collaboration, and accountability as organizational control becomes less direct. Employees with strong work ethics may perceive these demands as consistent with their personal

values and professional standards, enabling them to respond to organizational changes more positively rather than perceiving them as additional burdens. This value congruence may strengthen employees' sense of meaning, comfort and fulfillment in their work, thereby contributing to higher job satisfaction. The finding is also consistent with Locke's (1976) Value Theory which suggests that job satisfaction emerges when individuals perceive that their work experiences are consistent with their values and expectations. Therefore in an organizational transformation context, work ethics can function not only as a behavioral standard but also as a psychological resource that facilitates employee adjustment and sustains positive attitudes toward work.

From an Islamic perspective the relationship between work ethics and job satisfaction can be further understood through Islamic Work Ethics, which views work as a moral responsibility and emphasizes ethical conduct, responsibility, effort, and commitment in performing occupational duties (Ali & Al-Owaihan, 2008). Employees who perceive their work as an amanah (trust) and perform their responsibilities with ihsan (excellence) may experience a stronger sense of meaning and fulfillment because their work is not viewed solely as a means of obtaining material rewards but also as an activity with moral and spiritual value. In the NWOW context, these values are particularly relevant because greater autonomy requires employees to maintain responsibility, professionalism, and commitment even when direct supervision is reduced. Islamic principles therefore complement the P–O Fit perspective by explaining that value congruence may involve not only compatibility between personal and organizational values but also the internalization of ethical and spiritual values in work behavior. Empirical evidence from Aflah et al. (2021) further indicates that Islamic Work Ethics is positively associated with job satisfaction, suggesting that ethical and spiritually grounded work values can contribute to more positive employee evaluations of their work.

Furthermore work motivation significantly affects employee performance ($\beta = 0.221$; $t = 3.259$; $p = 0.001$). This result indicates that motivated employees are more likely to exhibit higher productivity and stronger commitment toward organizational objectives. The findings support Expectancy Theory (Vroom, 1964), which explains that employees are willing to exert greater effort when they believe their efforts will lead to desirable performance outcomes and valuable rewards. Within the NWOW environment, employees are expected to independently manage their work, making motivation an essential driver of performance sustainability. These findings are also supported by Robbins and Judge (2017) who emphasized that motivation stimulates employees' willingness to invest additional effort into achieving organizational goals.

The organizational transformation context further reinforces the importance of motivation. Under NWOW, employees face greater autonomy alongside higher accountability. Therefore, motivated employees may perceive organizational changes as opportunities for growth rather than additional burdens. Herzberg's Two-Factor Theory (1966) suggests that both intrinsic factors, such as recognition and achievement, and extrinsic factors, such as organizational policies and working conditions, contribute to employee motivation. Organizations that successfully balance these factors are more likely to sustain employee performance throughout transformational processes.

The findings also show that work motivation has the strongest direct influence on job satisfaction among all direct relationships examined ($\beta = 0.308$; $t = 4.374$; $p < 0.001$). This result suggests that motivated employees tend to develop more favorable attitudes toward their jobs. Employees who perceive meaningful rewards, career opportunities, and organizational support are more likely to experience positive emotions at work. This finding corroborates previous studies indicating that motivation is one of the strongest antecedents of job satisfaction because it fulfills both intrinsic and extrinsic employee needs (Jonck et al., 2017; Herzberg, 1966).

Moreover job satisfaction significantly influences employee performance ($\beta = 0.258$; $t = 3.126$; $p = 0.002$). Employees who are satisfied with their jobs tend to demonstrate stronger organizational commitment, lower turnover intentions and better performance outcomes. According to Robbins and Judge (2017), satisfied employees are more willing to engage in extra-role behaviors that benefit organizational performance. Within the NWOW environment satisfaction may become increasingly important because employees are expected to remain productive despite greater flexibility and reduced direct supervision. Consequently fostering job satisfaction may represent a sustainable strategy for enhancing employee performance.

The mediation analysis revealed that job satisfaction partially mediates the relationship between work ethics and employee performance (β = 0.067; t = 2.275; p = 0.023). This finding indicates that work ethics contributes to employee performance through both direct and indirect pathways. Employees with strong work ethics are likely to demonstrate responsibility, discipline, integrity, and effective time management, which directly support the achievement of work targets and organizational objectives. At the same time, adherence to positive ethical values may create more favorable experiences at work because employees perceive their behavior as consistent with professional and organizational expectations. This positive psychological evaluation can increase job satisfaction, which subsequently contributes to better employee performance. The finding is consistent with Locke's (1976) Value Theory, which explains that job satisfaction develops when employees perceive that their work experiences are consistent with their values and expectations. It also extends the mediation perspective of Baron and Kenny (1986) by demonstrating that job satisfaction functions as an important psychological mechanism through which work ethics can be translated into improved employee performance.

The partial mediation effect further indicates that the contribution of work ethics to employee performance cannot be explained entirely through job satisfaction. The direct effect of work ethics on employee performance remains significant, suggesting that ethical values may influence performance through employees' actual work behaviors in addition to their psychological evaluation of the job. In the context of NWOW, this relationship becomes particularly important because employees are given greater autonomy and are expected to manage their responsibilities with reduced direct supervision. Under such conditions, ethical standards may serve as an internal mechanism that guides employees to remain disciplined, responsible, and committed even when external control is limited. This interpretation is consistent with the Person–Organization Fit perspective (Kristof, 1996), which suggests that employees whose personal values are congruent with organizational values are more likely to adapt successfully and experience positive work outcomes.

Job satisfaction partially mediates the relationship between work motivation and employee performance (β = 0.080; t = 2.515; p = 0.012). This finding demonstrates that motivated employees are not only more likely to direct greater effort toward achieving organizational objectives but may also experience more positive evaluations of their work, which subsequently contribute to better performance. The result is consistent with Expectancy Theory (Vroom, 1964), which proposes that employees are motivated to exert effort when they believe that their effort will result in desirable performance outcomes and valued rewards. In the NWOW environment, where employees have greater autonomy and accountability, motivation becomes increasingly important because employees must independently regulate their effort and priorities. The positive relationship between work motivation and job satisfaction also suggests that employees who perceive meaningful opportunities, recognition, rewards, and organizational support may develop more favorable attitudes toward their jobs. These positive attitudes can subsequently strengthen their willingness to maintain productive behaviors and achieve organizational targets.

The indirect effect of work motivation on employee performance through job satisfaction (β = 0.080) is slightly stronger than the indirect effect of work ethics (β = 0.067), indicating that motivational factors may play a somewhat more prominent role in the psychological pathway linking employee attitudes to performance. This finding can be interpreted through Herzberg's Two-Factor Theory (1966), which distinguishes motivational factors such as achievement, recognition, responsibility, and advancement from contextual conditions that influence employees' work experiences. When employees perceive that their efforts are meaningful and supported by opportunities for achievement and recognition, their motivation may enhance their satisfaction and subsequently strengthen their performance. In addition, previous empirical research has demonstrated that Islamic Work Ethics is positively associated with Islamic motivation and job satisfaction, while job satisfaction and Islamic motivation are positively associated with employee performance (Aflah et al., 2021).

From an Islamic perspective the mediation relationships can be understood through Islamic Work Ethics, which views work as an activity with economic, moral, and social dimensions (Ali & Al-Owaihan, 2008). Within this framework employees are encouraged to fulfill their responsibilities with amanah (trustworthiness), demonstrate ihsan (excellence) and pursue itqan (professionalism and mastery) in performing their duties. Work undertaken with sincere intentions and in accordance with Islamic

principles may also constitute ibadah (worship), providing employees with a sense of purpose beyond material rewards. These values are relevant to the New Way of Working (NWOW) where greater autonomy and reduced direct supervision require employees to maintain responsibility, integrity and professional standards. Empirical evidence from Aflah et al. (2021) demonstrates that Islamic Work Ethics is positively associated with Islamic motivation and job satisfaction. Their findings also indicate that Islamic motivation contributes positively to job satisfaction and employee performance while job satisfaction contributes positively to employee performance. These results support the argument that ethical and motivational values can contribute to positive employee outcomes through psychological mechanisms such as job satisfaction.

Furthermore Islamic principles provide a broader foundation for understanding how employees maintain motivation and performance during organizational transformation. The principle of tawakkul (reliance on Allah) encourages individuals to combine sincere effort with trust in Allah while 'adl (justice) emphasizes fairness in organizational relationships and tawazun (balance) highlights the importance of balancing organizational objectives with employee well-being. Ali and Al-Owaihan (2008) emphasize that Islamic Work Ethics encompasses effort, transparency, competition, and morally responsible conduct, while also highlighting the importance of justice and social welfare in organizational practices. In relation to the present findings, these principles suggest that employee performance should not be evaluated exclusively through the achievement of organizational targets but also through the responsibility, integrity and ethical conduct demonstrated in accomplishing work. Accordingly, organizations implementing NWOW should complement structural transformation with practices that strengthen ethical behavior, sustain employee motivation, and foster job satisfaction.

CONCLUSION

This study concludes that work ethics and work motivation are important determinants of employee performance within the context of organizational transformation. Both variables not only directly contribute to employee performance but also indirectly enhance performance through job satisfaction, indicating that job satisfaction serves as an important psychological mechanism through which positive work attitudes and motivational factors are translated into better performance outcomes. Employee performance is influenced not only by structural and technological transformation but also by employees' ability to adapt behaviorally, psychologically, ethically, and spiritually to evolving work demands. Therefore, HR management should implement more specific strategies by strengthening work ethics through continuous ethical development and professional training that emphasizes responsibility, integrity, amanah (trustworthiness), ihsan (excellence), and itqan (professionalism and mastery).

Organizations should also strengthen employee motivation through meaningful recognition, opportunities for achievement and development, and fair reward systems, while maintaining 'adl (justice) and tawazun (balance) in the distribution of responsibilities, rewards, and employee well-being. Furthermore, HR management should foster job satisfaction by creating a supportive work environment, providing opportunities for employee participation and development, and ensuring that greater autonomy under NWOW is accompanied by adequate organizational support. Integrating these organizational practices with Islamic ethical principles can help employees perceive their work not only as a means of achieving organizational objectives but also as an amanah and a form of ibadah, thereby supporting responsible behavior, sustainable motivation, employee well-being and long-term organizational performance.

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