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The effect of Islamic work ethics on innovation

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Abstract

The main purpose of this research is to identify the effect of Islamic work ethics and its dimensions, such as piety, sincerity, trust, responsibility, and cooperation, on innovation. The study adopts a quantitative research design. Data were collected using a structured five-point Likert-scale questionnaire from a sample of 142 valid responses at the SAIDAL Group in Algeria. The data were analyzed using simple and stepwise regression analysis in SPSS to test the research hypotheses. The results of the statistical analysis showed that Islamic work ethics have a significant effect on innovation. Specifically, the dimensions of Islamic work ethics: trust, cooperation, and sincerity; each has a significant effect on innovation. Among these, trust emerged as the most important factor affecting innovation, followed by cooperation and sincerity. This highlights the critical role that these ethical dimensions play in fostering an innovative environment within organizations that embrace Islamic work ethics.

Keywords: Islamic Work Ethics; Innovation; Quantitative Analysis; Algeria.

1. Introduction

The significance of work ethic has been increasingly recognized since the Industrial Revolution, with heightened attention following major corporate scandals such as Enron (Dibra, 2016). For any organization, the adoption of a robust ethical framework is not merely a matter of compliance but a critical driver of organizational success (Bayo & Red-Well, 2021). Such frameworks help streamline operations and cultivate a culture of integrity, which has been linked to enhanced performance and sustainable outcomes. Ethical practices are not only essential for fostering a healthy and productive workplace but also for building trust and maintaining a positive reputation (Mayer et al., 1995). To ensure compliance among all employees, organizations must clearly define ethical and unethical practices within their culture. However, recognizing that individual ethical standards vary, many companies have established ethical codes (Ali & Habtoor, 2022).

Cultural and religious influences, particularly those rooted in faith traditions, can $profoundly shape individuals' ethical perspectives and behaviors. The concept of Islamic work ethics (IWE), originating from the Qur'an and the teachings of Prophet Muhammad (peace be upon him), provides a rich framework of principles and values that guide work-related behavior (Rokhman, 2010). IWE is not a recent development; its foundation lies in the teachings of Islam, dating back over 1400 years (Almansoori, 2012). These ethics, which primarily address an individual's relationship with their Creator, provide guidance for improving administrative practices and promoting sustainable organizational success and quality (Ahmad et al., 2021). The core values within Islamic work ethics, such as piety, sincerity, trust, responsibility, and cooperation, offer a comprehensive framework for ethical behavior in all aspects of life, including work (Ibrahim & Kamri, 2013).

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Research on IWE began to gain traction in the 1980s and has since explored its impact on various organizational outcomes. Numerous studies have demonstrated the positive relationships between IWE and job performance (Aflah et al., 2021; Badar et al., 2024), job satisfaction (Gheitani et al., 2019; Nasution & Rafiki, 2020; Oriana & Violita, 2019), organizational commitment (Ali & Habtoor, 2022; Caniago & Mustoko, 2020), and reduced turnover intention (Dwita & Rozikan, 2022). While these connections are well-documented, a significant gap remains regarding the relationship between IWE and innovation. Although a few studies have suggested a positive connection (Farrukh et al., 2015; Mahfoudh et al., 2016), a deeper understanding of how specific dimensions of IWE affect innovation is needed (Javed et al., 2016). This gap is further underscored by the lack of studies examining these relationships across diverse sectors and cultural contexts.

This study seeks to address this gap by investigating the effect of IWE and its core dimensions (piety, sincerity, trust, responsibility, and cooperation) on innovation. Specifically, this research will examine the individual contributions of these dimensions to innovation capability, thus contributing to a more nuanced understanding of this relationship. Therefore, this study aims to examine the effect of Islamic work ethics on innovation. The significance of this research lies in its contribution to existing literature on IWE and innovation, offering practical insights into how organizations, particularly those operating within Islamic contexts, can leverage ethical principles to drive innovation. Moreover, as a comprehensive religion, Islam emphasizes the teaching of essential work ethics that are vital to every profession and closely tied to prevailing societal values.

2. Literature Review

2.1 Islamic work ethics

Rokhman (2010) defined Islamic work ethics as a set of moral principles that distinguish what is right from what is wrong in the Islamic context, while Zahrah et al., (2016) describing it as a collection of humans' values, traits, attitudes, and behavior on how one does his/her job or responsibilities. These ethics translate the guidance provided in the Qur'an and Sunnah into practical principles for daily activities.

Islamic work ethics involve adhering to behavior standards set by Islamic teaching in the workplace. When one has a close relationship with god, one's attitudes and behaviors would tend to be consistent with the rules and stipulations of the religion (Hayati & Caniago, 2012).

The Islamic work ethic represents a comprehensive lifestyle guided by the principles of the Holy Qur'an and the Sunnah. These ethics act as a practical implementation of Divine instructions, shaping individual conduct and professional behavior within the workplace and beyond (Almansoori, 2012). More than a mere collection of regulations, these principles foster an integrated approach to life, emphasizing the spiritual connection between the individual and Almighty Allah, which subsequently influences their social and professional interactions (Ahmad et al., 2021). These ethical principles are not limited to visible actions but also encompass thoughts, intentions, and the inner self (Ibrahim & Kamri, 2013), fostering a sense of accountability to a higher power, one's own conscience, and the community (Melala, 2019). Such ethical frameworks promote a sense of higher accountability and align with the ultimate goal of achieving al-falah in both this life and the hereafter (Kamaluddin & Khadijah, 2010).

Zahrah et al. (2016) emphasized that Islam strongly requires that Muslim's behaviors should have strong moral values and follow the teachings of Islam in performing their work to seek the blessing of Allah, which is the ultimate life objective.

Islamic work ethics focus on the relationships among humans, humans and their environment, and humans and their creator (Sugiyanto et al., 2020, p. 323), drawing on the teachings of the Qur'an and Hadith. The concept of Islamic work ethics, rooted in these sources, highlights the importance of dedication and commitment to work, while condemning unethical behaviors such as begging, laziness, time-wasting, and engaging in unproductive activities.

Central to Islamic work ethics are several core values that shape individual behavior and organizational culture:

2.1.1 Piety (Taqwa)

One of the most essential values that Allah (SWT) directed and bound His Messengers and all the believers to uphold is Piety (Taqwa), as emphasized in the Qur'an. Piety is crucial for happiness in this life and the Hereafter. It involves avoiding Allah's punishment by following his commands and avoiding his prohibitions. It represents a deep reverence and love for

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Allah, in which the fear of displeasing him leads to righteous behavior. This awareness of Allah's presence (Taqwa) fosters ethical decision-making and righteous actions in all aspects of life, including work (Bhatti et al., 2015, p. 143).

2.1.2 Sincerity (Ikhlas)

Sincerity emphasized the importance of intention (Niyyat) in all actions. Islamic work ethics prioritize actions done solely for the sake of Allah, seeking his pleasure and reward, rather than for personal gain or external recognition (Aldulaimi, 2016). This focus on sincere intention fosters dedication, accountability, and high-quality work, with the ultimate goal of al-falah (Kamaluddin & Khadijah, 2010, p. 62).

2.1.3 Trust (Amanah)

Trust, in a professional context, is fundamentally characterized by the accurate, honest, and impartial fulfillment of assigned duties. This encompasses a commitment to veracity, even when confronting difficult or challenging truths. Islam places a strong emphasis on Trust (Amanah), which translates into a religious expectation that Muslims demonstrate integrity in all interactions and business dealings. Furthermore, trust implies transparency, requiring the disclosure of relevant information rather than its concealment, and the transparent documentation of all business transactions in accordance with established accounting procedures (Ali & Habtoor, 2022). Trust implies fulfilling the promise, giving the right advice to the one who asks for it, doing one's work as sincerely and as perfectly as possible, and telling the truth, fulfilling one's word, and making objective judgments and objective decisions (Aldulaimi, 2016).

2.1.4 Responsibility (Mas'uliyyah)

Responsibility is the commitment of an individual to diligently execute assigned tasks and to bear the consequences of their actions. It necessitates a profound sense of personal accountability, guiding an individual in all entrusted duties. This accountability stems from the realization that one is answerable first to God Almighty, then to one's own conscience, and finally to society (Melala, 2019, p. 185).

Prophet Muhammad enjoined us to act responsibly in holding any position or performing our jobs and duties. In his saying, "All of you are providers of care, and everybody is responsible to do it right for his subordinates and dependents," Bukhari & Muslim. He explains that we all have responsibilities, whether in the family, in the workplace, or in society as a whole (Aldulaimi, 2016).

2.1.5 Cooperation (Ta'awun)

Islam strongly advocates for mutual cooperation as a means for individuals to fulfill their needs in this world. In organizational contexts, the emphasis on effective cooperation and collaboration is paramount. Furthermore, Islam permits healthy competition among businesses that drives performance improvement, respects human needs, and aligns with religious tenets. A strong emphasis on cooperative practices can result in enhanced productivity and success (Aldulaimi, 2016).

2.2 Innovation

Innovation encompasses both the generation and the implementation of novel ideas or practices. It is defined as the implementation of a new or significantly improved product (good or service), process, marketing method, or organizational method in business practice, workplace organization, or external relations (Yesil et al., 2012). This definition underscores four fundamental elements: new products, processes, marketing methods, and organizational context.

Innovation capability emerged as a distinct concept in business disciplines through Schumpeter's framework (1934), which emphasizes new production processes, the identification of new market opportunities, the discovery of new supply sources, and the creation of new products. Innovation is an organization's ability to transform knowledge into new products and services that meet stakeholder needs (Edeh et al., 2022). This highlights innovation as a strategic process where new ideas, processes, products, or services are not only generated but also accepted and implemented.

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Drucker (1954) was among the earliest scholars to emphasize the importance of innovation capability for organizational success. He posited that organizations must innovate to survive in the volatile environments and that cultivating innovation capability can provide a competitive advantage (Drucker, 1954).

Innovation is a key driver of competitive advantage through two major dimensions: product and process innovation capabilities. Product innovation capability refers to the extent to which organizations can develop their tangible and intangible resources, enabling them to create novel offerings, including a range of creative products and services tailored to meet customer needs. In contrast, process innovation capability refers to the ability to transform the methods and techniques organizations use to deliver these offerings. This dimension reflects organizations' capability to develop new inputs or processes within their production or organizational activities, including information flow, resources, specifications, and tasks, which are integrated to provide optimal offerings in terms of quality or cost (Al Taweel & Al-Hawary, 2021).

Innovation creates a competitive advantage by enabling organizations to offer unique products or services, optimize processes, and enhance efficiency. It can lead to differentiation from competitors, improved customer satisfaction, and greater adaptability to changing market conditions. This strategic advantage enables organizations to attract and retain customers, reduce costs, and ultimately achieve increased market share and profitability.

2.3 The relationship between Islamic work ethics and innovation

The existing literature suggests a positive relationship between Islamic work ethics and innovation capability (Abbasi et al., 2012; Awan & Akram, 2012; Farrukh et al., 2015; Javed et al., 2016; Kumar & Rose, 2010; Mahfoudh et al., 2016; Oriana & Violita, 2019). These studies generally demonstrate that the values embedded in Islamic work ethics, such as hard work, commitment, and cooperation, can foster an environment conducive to innovation.

For instance, Farrukh et al., (2015) it has been specifically investigated, and it was concluded that IWE plays a significant role in enhancing innovation. Similarly, Kumar & Rose (2010) found the application of IWE principles results in several positive attitudes that collectively strengthen an organization's ability to innovate, also revealing differences in IWE adoption between the public and private sectors in Malaysia, with higher scores in the public sector. Further, Awan & Akram (2012) a positive relationship was found between IWE and innovation capability in Pakistani public organizations, and knowledge sharing was explored as a moderator, demonstrating its positive influence on the IWE-innovation relationship.

However, while these studies provide valuable insights, gaps in the literature warrant further investigation. Firstly, many of these studies, such as Kumar & Rose (2010) and Awan & Akram (2012) focus primarily on the public sector in specific geographical contexts (Malaysia and Pakistan), highlighting a need for similar studies across different cultures and economic sectors. In addition, studies examining the influence of specific dimensions of IWE are lacking, despite IWE being conceptualized as a multidimensional construct. Furthermore, a more granular understanding of the specific IWE dimensions that drive innovation is needed. While most studies highlight that the general aspects of IWE positively affect innovation (Abbasi et al., 2012; Mahfoudh et al., 2016), there's less emphasis on how these specific dimensions individually influence the creative process. Recent studies, such as Javed et al., (2016) and Oriana & Violita (2019), have shown that IWE affects not only innovation but also adaptive performance and other organizational outcomes, underscoring the continued relevance of the concept, particularly regarding innovative behavior.

This study aims to address these gaps by examining the effect of IWE and its key dimensions—piety, sincerity, trust, responsibility, and cooperation—on innovation capability. Specifically, we investigate the individual contributions of these dimensions to provide a more nuanced understanding of their influence.

Building upon this theoretical foundation and the consistent empirical evidence, the following hypothesis is proposed:

Hypothesis H1: Islamic work ethics have a significant effect on innovation

3. Methodology

3.1 Study model

The main purpose of this study is to investigate the impact of Islamic work ethics on innovation. Figure 1 shows the conceptual framework for a current study, the Islamic work ethics is the independent variable, comprising dimensions such as piety, sincerity, trust, responsibility, and cooperation, while innovation is the dependent variable.

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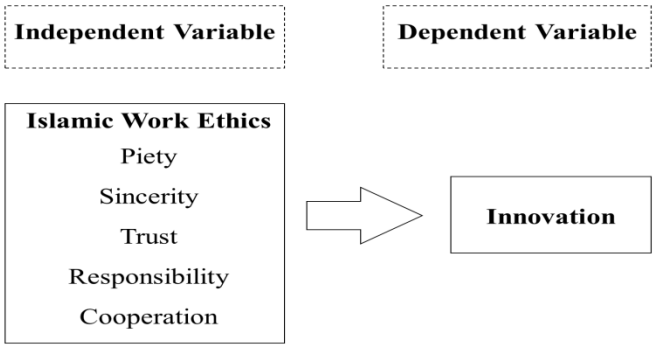
Figure 1. Research Model



Source: Authors' elaboration.

3.2 Scales / Measures used

The questionnaire is considered one of the most common tools for collecting data in social and managerial studies. The questionnaire used for the current study is considered to have three sections. The first section covers the demographic information of the respondents (gender, age group, education level, and job experience). The second section measures Islamic work ethics using 31 items (04 piety, 06 sincerity, 08 trust, 06 responsibility, and 07 cooperation), and the third section measures innovation using 06 items. The questionnaire was designed to use a five-point Likert scale (1 = strongly disagree; 5 = strongly agree).

3.3 Sample and Population

The target population for this study consisted of all employees within the SAIDAL group, a prominent public enterprise in Algeria. Founded in 1984, SAIDAL is one of the largest organizations in the country, thereby representing a significant entity within the Algerian national economy. Consequently, this research aimed to examine phenomena within the context of a major Algerian public enterprise by surveying its employee base.

Given the finite nature of the study population (all employees of SAIDAL), a random sampling method was selected to ensure that each individual within the group had an equal probability of inclusion, thereby facilitating broader generalizations to the target population. This method allowed for the collection of a representative sample, and Yamane's simplified formula, considered appropriate for populations of known size, was used to calculate the required sample size. The sample size calculation was based on a 95% confidence level and a 5% margin of error.

Yamane (1967) provides a simplified formula to calculate sample sizes:

$$n = \frac{N}{1+N(e)^2} \quad (1)$$

n: the sample size

N: the population size

e: the level of precision (0.05)

Since the population size is known and is 1885 employees, the sample size is 330 employees :

$$n = \frac{1885}{1+1885\ (0.05)^2} \quad (2)$$

An initial sample of 330 employees was selected. A total of 165 questionnaires were returned, representing a response rate of 50.0%. After screening, 23 questionnaires were discarded due to incomplete data or inconsistent patterns. Thus, 142 questionnaires were deemed valid for statistical analysis, resulting in a valid response rate of 43.0%.

3.4 Reliability

Before applying statistical tools, testing the reliability of the scale is essential; Cronbach's alpha is the most widely used method.

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Table 1. Reliability Test Results

Variables	Numbers of questions	Alpha Cronbach
Piety	04	0.656
Sincerity	06	0.678
Trust	08	0.876
Responsibility	06	0.911
Cooperation	07	0.910
Islamic work ethics	31	0.856
Innovation	06	0.875

Source: Authors' elaboration

Table 1 presents the Cronbach's alpha coefficients used to assess the reliability of the scales. The results show that the coefficients range from 0.656 to 0.911. Although the values for piety (0.656) and sincerity (0.678) are slightly below the generally accepted threshold of 0.70, they are considered acceptable given the exploratory nature of this study and the specific cultural context of the Islamic work ethics scale. All other dimensions demonstrated strong internal consistency, exceeding the 0.80 level.

4. Results

4.1 Demographic characteristics

The table below shows the demographic characteristics of respondents.

Table 2. Demographic Characteristics

Variable	Value label	Frequency	Percent (%)
Gender	Male	81	57.0
	Female	61	43.0
AGE	Less than 30 years	21	14.8
	[30-40[years	72	50.7
	[40-50[years	42	29.6
	50 years & above	7	4.9
Education level	Bachelor degree	22	15.5
	Master degree	120	84.5
Working Experience	Less than 5	19	13.4
	[5-10[years	54	38.0
	[10-15[years	47	33.1
	15 years & above	22	15.5

Source: Authors' elaboration

The analysis results for demographic and functional variables show that 81 respondents were male (57.0%) and 61 were female (43.0%). Moreover, the distributions of results indicated that 21 respondents live less than 30 years, representing 14.8%, then the greater part of the respondents live between [30 to 40] years, representing 50.7%, then between [40 and 50] years, representing 29.6%, and lastly 50 years or above, representing 4.9%.

Table 2 presents the education levels of the 142 respondents. The distribution of results indicated that the largest category of sample members had a master's degree (84.5%), while the lowest percentage was for bachelor's degrees (15.5%).

Regarding working experience level, the greater part of the respondents have experience [5-10] years' experience representing 38.0%, then [10-15] years' experience representing 33.1%, followed by 15 years' experience representing 15.5%, and the least is 5 years representing 13.4%.

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4.2 Descriptive analysis

Table 3 shows the descriptive measures for Islamic work ethics and innovation. The mean for Islamic work ethics was 4.173, with the dimensions' means ranging from 4.118 to 4.364. The standard deviations ranged from 0.393 to 0.570. These results indicate a high level of adherence to Islamic work ethics among employees at SAIDAL Group. The mean for innovation is 3.968, with a standard deviation of 0.529, indicating a high level of acceptance.

Table 3. Mean and Standard Deviation for Islamic Work Ethics, and innovation

Variables	**Mean**	**Std deviation**
Piety	4.364	0.406
Sincerity	4.188	0.393
Trust	4.152	0.520
Responsibility	4.161	0.570
Cooperation	4.118	0.528
Islamic work ethics	4.173	0.411
Innovation	3.968	0.529

Source: Authors' elaboration

4.3 Test of hypothesis

The simple linear regression analysis is used to determine whether Islamic work ethics affect innovation and whether a relationship exists if $p \leq 0.05$. The results are shown in the following table:

Table 4. Simple Linear Regression of Islamic Work Ethics with Innovation

Variables	***R***	***R²***	***B***	***β***	***t***	***p***	***F***	***p***
Constant			0.009	-	0.028	0.977		
Islamic work ethics	0.738	0.544	0.949	0.738	12.932	<0.001	167.229	<0.001

Source: Authors' elaboration

From the results in Table 4, Islamic work ethics demonstrated a strong and positive relationship with innovation ($R = 0.738$, $p < 0.001$). Furthermore, R^2 indicates that 54.4% of the variation in innovation is explained by Islamic work ethics, and 45.6% is explained by other factors.

According to the results in Table 4, the beta value is 0.738 ($p<0.05$), confirming that Islamic work ethics have a positive impact on innovation. Additionally, the t-value ($t=12.932$, $p<0.001$) and F-value ($F=167.229$, $p<0.001$) indicate a significant impact of Islamic work ethics on innovation. The coefficient for Islamic work ethics (+0.949) represents its effect on innovation. This result supports that Islamic work ethics have a positive impact on Innovation.

Based on the study's formulated hypotheses, stepwise regression analysis was applied to specify the statistical relationship between the Islamic work ethics dimensions (independent variables) and innovation (dependent variable). It is supposed that changes in innovation could be explained with reference to changes in the dimensions of Islamic work ethics. The stepwise regression method has been chosen because it combines forward and backward elimination procedures and is appropriate for determining important factors affecting the innovation. The results are shown in Table 5.

Table 5. Stepwise Regression of Islamic Work Ethics Dimensions with Innovation

Variables	***R***	***R²***	***B***	***β***	***t***	***p***	***F***	***p***
Constant			0.144		0.430	0.668		
Trust			0.408	0.388	4.713	<0.001		
Cooperation			0.293	0.292	3.649	<0.001		
Sincerity	0.739	0.547	0.224	0.167	2.273	0.025	55.460	<0.001

Source: Authors' elaboration

Based on stepwise regression, the final model indicates that only three dimensions of Islamic work ethics are significantly associated with innovation: trust, cooperation, and sincerity.

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The coefficients of trust, cooperation, and sincerity are (B=0.408), (B=0.293), and (B=0.224), respectively, which represent the partial effect of trust, cooperation, and Sincerity on innovation.

According to the results of Table 5, the R value of (+0.739) indicates that the relationship between Islamic work ethics dimensions (trust, cooperation, and Sincerity) and innovation is strong and positive. R^2 indicates that 54.7% of the variation in innovation is explained by variation in trust, cooperation, and Sincerity.

Additionally, according to the standardized coefficient weights shown in Table 5, Trust ($\beta = 0.388$, $p < 0.001$) emerged as the most important factor, followed by Cooperation ($\beta = 0.292$, $p < 0.001$). The Sincerity dimension also had a significant positive impact, although with a lower weight ($\beta = 0.167$) and a different significance level ($p = 0.025$). These results indicate that innovation is significantly dependent on these three dimensions of Islamic work ethics.

Based on the results, trust, cooperation, and Sincerity have a significant impact on innovation; however, piety and responsibility have no significant impact.

5. Discussion

This study investigated the influence of Islamic work ethics (IWE), encompassing the dimensions of piety, sincerity, trust, responsibility, and cooperation, on innovation. The findings reveal a positive relationship between overall IWE and innovation, with trust, cooperation, and sincerity demonstrating significant individual effects. These results align with previous empirical research, which has reported a positive association between IWE and innovation. These consistent findings underscore the potential of IWE as a motivational and ethical framework that can enhance innovation in organizational contexts.

The positive impact of IWE on innovation, as observed in this study, can be theoretically explained through the lens of intrinsic motivation and shared values. Employees who internalize Islamic work ethics view their work as a form of worship ('ibadah) and a means of fulfilling their divinely ordained responsibilities. This spiritual dimension fosters a profound sense of purpose, going beyond mere material or transactional work relationships. As such, the belief that diligent and ethical work earns spiritual merit can significantly enhance employees' commitment and motivation, which are known to drive innovative behaviors. This intrinsic motivation aligns with the principles of 'ikhlas' (sincerity), in which actions are performed purely for the sake of Allah, thereby promoting high work standards and a strong sense of personal responsibility. The strong presence of trust and transparency, rooted in the principle of "Amanah," contributes to psychological safety within the organization, enabling more open communication, idea sharing, and risk-taking, all of which are needed for innovative outputs. Moreover, the spirit of 'ta'awun' (cooperation) emphasizes collective achievement and the sharing of knowledge and expertise, fostering fertile ground for collaborative innovation.

Interestingly, while the study found that the dimensions of trust, cooperation, and sincerity were significantly related to innovation, the dimensions of piety and responsibility did not demonstrate a significant direct relationship. This finding warrants further exploration and may be attributed to several factors. First, piety (Taqwa) is primarily an individual's internal state and a deep reverence for Allah, and its impact on innovation may be indirect, manifested through enhanced sincerity and responsibility, which is in line with the literature (Bhatti et al., 2015). While the internal state of piety and individual accountability may not be directly related to the visible innovation process. Furthermore, responsibility, although a crucial ethical value, might be viewed as a baseline expectation of all employees, rather than an explicit motivator for innovation. It's possible that the impact of responsibility is mediated through other dimensions of IWE, such as sincerity and cooperation. Future research could explore these mediating or moderating mechanisms to provide a more complete explanation of the role of piety and responsibility in the innovation process. Further, the impact of responsibility may be contextual to the organization's ethical environment. Where responsibility is already assumed as a norm, its direct relationship with innovation may become less visible. Organizations may need to explore ways to strengthen the perceived value of responsibility as an innovation factor, rather than merely a baseline expectation.

The practical implications of these findings are significant. Firstly, organizations seeking to enhance their innovation capabilities should strategically integrate IWE principles into their management practices. This could include promoting ethical leadership that emphasizes trust, transparency, and fairness (based on the principle of Amanah), fostering a collaborative culture, and nurturing a sense of purpose beyond mere transactional employment. Human resource management (HRM) practices should be redesigned to integrate Islamic values into codes of ethics, training programs, and performance management systems. This can be done by developing training materials that highlight the significance of ikhlas (sincerity) and its impact on work quality and innovation output. For instance, training programs may highlight how performing work

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with the intention of seeking Allah's pleasure can foster greater commitment and diligence, leading to creative solutions and innovative ideas. Furthermore, integrating the "ta'awun" concept through team-building and collaborative projects would encourage employees to share their knowledge and contribute to collective innovation efforts. Managers need to be educated about the importance of trust and transparency as derived from the Islamic principle of Amanah. Such an understanding will lead to creating safer workplace environments where employees are more likely to share their creative ideas and engage in risk-taking.

Furthermore, this study underscores the need to move beyond a generic understanding of IWE and delve into its specific dimensions. While previous studies have often focused on the overall effect of IWE on innovation, this research highlights the need for a more nuanced approach by examining the individual impacts of piety, sincerity, trust, responsibility, and cooperation. Organizations can tailor their interventions based on which dimensions they find weaker, thereby enhancing specific areas of IWE to improve innovation outcomes. This can be done through incorporating specific strategies that target the identified dimensions. For example, if trust is found to be low, implementing open communication policies, promoting integrity and fairness in leadership, and ensuring transparent decision-making processes can help enhance trust. Similarly, if cooperation is weak, organizations can facilitate team-building activities, collaborative projects, and knowledge-sharing sessions to foster a more cooperative workplace. Finally, the study also reinforces the need for further research in this field, especially regarding the indirect roles of piety and responsibility, and exploring the contextual factors affecting these dimensions. Longitudinal research is also encouraged to explore how the impact of these dimensions evolves over time.

6. Conclusion

This study has provided valuable theoretical and empirical insights into the influence of Islamic Work Ethics (IWE) on innovation, specifically within the context of the SAIDAL organization in Algeria. The findings affirm the positive association between IWE and innovation, underscoring the role of this ethical framework in fostering a conducive environment for creative output. Specifically, the dimensions of trust (Amanah), cooperation (Ta'awun), and sincerity (Ikhlas) were found to have significant positive effects on innovation. This resonates with existing literature, which emphasizes the role of shared ethical values in promoting pro-social behaviors, including innovation. In contrast, the study did not find a significant direct relationship between piety (Taqwa) and responsibility (Mas'uliyyah) and innovation.

The findings of this study have several practical implications for organizations seeking to enhance their innovation capabilities. Firstly, leaders should proactively integrate IWE principles into their management practices. This includes promoting ethical leadership, fostering a culture of trust and transparency, and cultivating a sense of shared purpose among employees. HR managers can benefit from this research by designing employee training programs that not only highlight the importance of Islamic work ethics but also provide practical applications of these values within the workplace. Secondly, organizations need to adopt a more nuanced understanding of IWE, emphasizing the importance of Amanah, Ta'awun, and Ikhlas, and devising specific strategies to develop these dimensions. For instance, they may develop reward mechanisms that promote collaboration, facilitate training in more ethical decision-making, and emphasize the importance of sincere intentions. Thirdly, organizations are encouraged to create supportive work environments that foster psychological safety and open communication, allowing employees to voice their opinions and suggestions without fear.

The present study has several limitations that should be acknowledged. First, the research model has been applied in a single organization, which limits its generalizability. Second, the study was based on a limited sample size, which could affect the statistical power of the findings. Future research should address these limitations by employing larger samples across multiple organizations, ideally from a variety of economic sectors and cultural contexts, to enhance the generalizability of the results. Longitudinal studies would also be beneficial to explore the temporal dynamics of the IWE-innovation relationship. Furthermore, it would be valuable to explore the mediating and moderating roles of other organizational factors, such as organizational culture, ethical leadership, and human resource management practices. Future research should also investigate in greater detail the indirect effects of Taqwa and Mas'uliyyah on innovation, possibly by including mediating factors such as employee engagement, job satisfaction, and organizational commitment. Finally, more qualitative research methods may offer insights into how these Islamic ethical values are interpreted and enacted in various organizational contexts.

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Informed Consent: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: The data presented in this study are available on request from the corresponding author.

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