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The Effect of Locus Control on The Employee of Performance with Islamic Work Ethics as Moderating Variable (The Case of Study: PT. PDAM Padang City)

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Abstract – Performance becomes the real foundation for the organization because without the performance of the objectives owned by the organization can not be achieved. This study aims to analyze the influence of Locus of Control on Employees Performance Moderated By Islamic Work Ethic of employees of PDAM Padang City. The questionnaire method has used this study which included 75 respondents from PDAM Padang City employers. The asses used Simple linear regression and Moderating Regression Analysis (MRA). Data analysis using SPSS v 16.0. Based on the results of the analysis that has been done can be concluded that the Locus of Control has a positive and significant effect on employee performance and Islamic Work Ethic has significantly moderated the Locus of Control on employees performance.

Keywords – Employee Performance, Locus Of Control, Islamic Work Ethic.

I. Introduction

In the current era of globalization, businesses are encouraged to form effective and efficient corporate organizations. Effectiveness and efficiency in an entity are highly recommended so that the company can compete and advantages over competitors so that it can survive in the future when facing intense competition (Oktavia and Suryoko, 2017). The globalization occurred massively. It was responded to differently by people in the world (Karim, 2013).

Every company which wants to grow must pay attention to its resource factors, including human resources. Therefore, the use of human assets must be treated legally to work successfully, effectively and have high work performance (Gunawan, 2014). Quality human resources are one of the qualities that an organization has in regulating the realization of organizational goals through the performance of employees in the organization (Nur, 2016).

According to Nur, (2016) Employee Performance is the result of the quality and quantity of an employee's work in achieving his/her duties by the authority given to him. Performance is a combination of three main factors, in particular, the capacity and interface of the workers, the capacity and recognition of the delegation's clarification of the assignment, and the share and level of inspiration of a worker. The higher the three components, the more prominent one's performance will be.

In line with what was said by Hermawan and Kaban, (2015). The quality of human resources in a company can be seen from how well the employee's performance is individual. If an employee can perform well, then the employee can be categorized as a quality human resource. Because employee performance is something that deserves important attention from the company. The performance of good human resources can contribute to the performance and progress of the company (Ary and Sriathi, 2019).

The employee of performance is closely related to employee personality. One aspect of employee personality is a *Locus of Control*. *Locus of Control is important* because controlling a person's performance can be measured by a person's ability to master the events that occur to him (Agung *et al*, 2017). Someone who believes that external or environmental factors that have a control effect on what happens in his life are classified as *external Locus of Control* (Putra, 2015).

The good quality of performance must be balanced with good work ethics. Ethics is a critical and rational reflection on the values and ethical standards that determine the behaviour and behaviour design of human life, both actually and as a group. Islam views work as a manifestation of faith, where in addition to being a means of fulfilling needs, work is a form of balance in life for the common welfare (Nur, 2016). The Islamic work ethic comes from the Al-Quraan and Hadith that emphasizes cooperation and always works hard and is one way to wash away sins. (Ayudiati, 2010).

The performance of PDAM Padang City employees has not shown optimal conditions. The facts include, among others, there are still complaints from employees in carrying out their work, there are still employees who are not present without information so they must be replaced with other employees, many employees experience illness so that permission not to come to work, the number of employees often leave and leave, this will have an impact on performance and PDAM Padang City office services, and the very many employees who arrive late, this reflects that the discipline and self-awareness of the employees of the PDAM Padang City office are very weak. Things like this will interfere with the performance of employees of an organization so that improvements need to be done to improve employee performance.

Employee performance has an important function in the company. Because the performance results affect how much the level of quality and quantity obtained by the company. In each company, there are always standard rules or norms for work (Himawan, 2016). Employee performance that is directly affected by a *Locus of Control* (self-control) will be interesting if a variable has a moderating nature is presented by the company's application system. So that Islamic work ethics is here as a mediating variable that strengthens/weakens performance.

The Locus of Control is a person's perspective on an event whether he can control the events that befell him or not. *Locus of Control* theory, it is possible that employee behaviour in conflict situations will be influenced by the internal characteristics of the *Locus of Control*. So, performance is also influenced by the individual's personality type. Internal *Locus of Control* is more focused on the task so as accelerate their performance (Karim, 2013).

This is supported by previous research from Ary and Sriathi, (2019) regarding the effect of *Locus of Control* on employee performance at Ramayana Mall in Bali with a quantitative approach and analyzed by simple linear regression with a sample size of 60 employees. These results conclude that *Locus of Control* has a positive effect on employee performance. The positive value of the regression coefficient of the *Locus of Control* variable indicates that if the *Locus of Control* increases, the employee's performance also increases and has a positive effect.

Likewise, research from Ridwan (2013) The independent variable *Locus of Control* partially has a positive and significant effect on the dependent variable employee performance. This result provides empirical evidence that the higher the level of *Locus of Control* which is clearly stated and specifically can improve the performance of Bank employees. Muamalat Indonesia Tbk. Palu Branch.

H_1: *Locus of Control* has a positive and significant effect on employee performance

Islamic Work Ethics is not just a cultural issue, but Islamic Work Ethics can encourage individuals to give their best and work hard. Because the inclusion of goodwill at work will give good results too. Work allows a person to be independent and generate concern for others, satisfaction and self-fulfilment (Ali, 2008). Job success and success depends on hard work and one's belief in work. If work is seen as a good thing, then work will be able to provide benefits for oneself and others (Nur, 2016).

This is supported by previous research by Nur, (2016) where the research was conducted at Bank SyariahMandiriPurwokerto Branch involving 40 employees.

Islamic Work Ethics can moderate the influence of *Locus of Control* and Employee Performance. This means that individuals who work have a purpose to meet their needs, this is usually influenced by individual efforts to cultivate their abilities to achieve good performance.

Likewise, Rahayuningsih, (2015) who saw the performance of nurses at the Sultan Agung Islamic Hospital Semarang that the interaction between *Locus of Control* and Islamic Work Ethics has a significant positive effect on nurse performance, so it can be concluded that the Islamic Work Ethics variable is a Moderating variable. In essence, the stronger the relationship between *Locus of Control* and Nurse performance is proven.

H_2: Islamic work ethics able to moderate the effect of *Locus of Control* on employee performance

II. Methods

Types of research

The type of research used is quantitative research methods. The quantitative research is a research method which aims to explain social phenomena or symptoms which occur in a society that are related to one another (Sugiyono, 2017).

The population and Sample

The population is a generalization area consisting of objects/subjects that have certain characteristics and are determined to conclude and then studied by the researcher. (Sugiyono, 2017). So the population of this study all employees of PT. PDAM Padang city, amounting to 75 employees at PT. PDAM Padang City.

Samples taken from the population must be properly representative because they are representative of the total number of characteristics. (Sugiyono, 2017) . In research, it can reflect and determine the sample to conclude the study. To give the population of 75 people, the sampling technique is taken by sampling technique, the entire population is used as the research sample so that the sample in this study was 75 people.

Variable Operational Definition

Table 1. Variable measurement

No.	Research variable	Variable Definition	Variable Indicators	Source
1.	*Locus of Control* (X)	the degree to which a person accepts personal responsibility for what happens to them.	1. Internal *Locus of Control* 2. External *Locus of Control*	(Amalini et al., 2016)
2.	Employee performance (Y)	Performance is the result of work achieved a person according to the standard of work for a certain period.	1. Work quality 2. Work Quantity 3. Punctuality	(Amalini et al., 2016)
3.	Islamic Work Ethics (Z)	Islamic ethics is based on the authentic word of Allah SWT, like the newspaper and Hadiths which are examples from the life of the prophet Muhammad SAW, as well as Ijma and Qiyas. Law	1. Strong and trustworthy 2. Professionalism 3. Philosophy of work 4. Personal development and social relationships 5. Control of the universe	(Ridwan, 2013)

III. Results And Discussion

The Validity of Test Results

Locus of Control Validity Test Results

The test of validity in this research by using *Pearson's Product* Moment *Correlation Coefficient*, comparing r-count> r-table then the question is valid and vice versa. r-table in this study amounted to 75 samples. Where DF = N-2, the result DF = 73 means that the r-table obtained is 0.2272.

Table 2. The Locus of Control validity test results

No.	Question Items	Value of r Count	Value of r Table	Information
Internal Locus of Control				
1	I have a high initiative in doing work	0.593	0.27272	*Valid*
2	I have great motivation in doing work	0.733	0.27272	*Valid*
3	I am satisfied with the achievements	0.719	0.27272	*Valid*
4	I like the challenge of progressing	0.781	0.27272	*Valid*
External Locus of Control				
5	Success is influenced by the luck factor	0.766	0.27272	*Valid*
6	An unpleasant thing is affected by bad luck	0.633	0.27272	*Valid*
7	I make decisions based on feeling (feeling)	0.592	0.27272	*Valid*
8	I depend on other people's hints	0.634	0.27272	*Valid*

Source: Results of SPSS 16.0 Data Processing

The table above explains that the question items for the *locus of the control* variable that has an r-count value greater than the r-table are valid in explaining the variables. The table above shows that all of the 11 question items are valid.

Results of the Validity Test of Islamic Work Ethics

Table 3. Results of the validity test of Islamic work ethic

No.	Question Items	Value of r Count	Value of r Table	Information
Generous				
1	In my opinion, PDAM Padang city employees serve customers in a friendly and polite manner	0.410	0.27272	*Valid*
2	PDAM Padang city employees have never been arrogant in serving customers	0.752	0.27272	*Valid*
Motivation To Be Devoted				
3	The employees of PDAM Padang city always work sincerely in serving at PDAM Padang city in the form of serving selflessly.	0.763	0.27272	*Valid*
4	PDAM Padangcity employees always keep customer data confidential.	0.809	0.27272	*Valid*
Remember Allah and His priority				
5	The employees of PDAM Padang city always have good behaviour according to Islamic law such as: polite, friendly and polite.	0.755	0.27272	*Valid*
6	In carrying out work, PDAM Padang City employees wear polite clothes and hijabs according to Islamic law	0.289	0.27272	*Valid*

Source: Results of SPSS 16.0 Data Processing

The table above explains that the correlation of question items to Islamic work ethics variables which have an r-count value greater than r-table is a valid question item in explaining the variables. The table above shows that all of the 5 question items are valid.

Employee Performance Validity Test Results

Table 4. Employee performance validity test results

No.	Question Items	Value of r Count	Value of r Table	Information
Work quality				
1	The quality of work is by the standards set by the company	0.268	0.27272	*Valid*
2	Performance by the performance standards set by the company	0.318	0.27272	*Valid*
Work Quantity				
3	The ability to complete work according to the set targets	0.297	0.27272	*Valid*
4	Increased work results from the previous period	0.364	0.27272	*Valid*
Punctuality				
5	Finish work on time	0.699	0.27272	*Valid*
6	Time to complete work is faster when compared to other colleagues	0.637	0.27272	*Valid*

Source: Results of SPSS 16.0 Data Processing

The table above explains that the calculated r-value greater than the r-table is a valid question item in explaining the variable. The table above shows that all of the 6 question items are valid.

Reliability Test Result

Table 5. Reliability test results

No.	Research variable	Cronbach Alpha	N of Item	Information
1	*Locus of Control* (X)	0.829	8	*Reliable*
2	Islamic Work Ethics (Z)	0.719	6	*Reliable*
3	Employee Performance (Y)	0.828	6	*Reliable*

Source: Processed Data SPSS Version 16.0

Guidelines for measuring instruments are said to be reliable if the Cronbach's Alpha value is 0.70 or more (Erdawati, 2013). Based on the results of the reliability test showed that each of the three variables, namely *Locus of Control*, Islamic work ethics and employee performance, were declared reliable because they had a Cronbach's Alpha value greater than 0.70.

Descriptive Analysis

Table 6. Locus of Control frequency distribution

No Item Questions	Scale					Average	TCR	Criteria
	SS	S	KS	TS	STS			
1	37	36	2	0	0	4.47	89.33	Very good
2	49	25	1	0	0	4.64	92.80	Very good
3	52	23	0	0	0	4.69	93.87	Very good
4	47	27	1	0	0	4.61	92.27	Very good
5	46	29	0	0	0	4.61	92.27	Very good
6	54	19	2	0	0	4.69	93.87	Very good

7	38	33	4	0	0	4.45	89.07	Very good
8	38	34	3	0	0	4.47	89.33	Very good
Total Average						**4.58**	**91.60**	**Very good**

Source: Primary Data 2020

Based on table 6 it can be seen that the average variable *Locus of Control* is 4, 58 with a TCR is 91.60%. These results mean that the employee's *Locus of* Control (self-*control*) is considered to be in the very good category. Based on table 4.9, it is also obtained information that there are two most influential questions, first, there is the internal *Locus of Control* indicator which is satisfied with the achievements achieved and the external *Locus of Control* indicator, namely things that are unpleasantly influenced by bad luck get the highest score which is the same as the score. an average of 4.69 and a TCR of 93.87%.

Table 7. Frequency distribution of Islamic work ethics

No Item Questions	Scale					Average	TCR	Criteria
	SS	S	KS	TS	STS			
1	41	29	5	0	0	4.48	89.60	Very good
2	20	49	4	2	0	4.16	83.20	Very good
3	21	46	6	2	0	4.15	82.93	Very good
4	27	40	8	0	0	4.25	85.07	Very good
5	23	43	8	1	0	4.17	83.47	Very good
6	52	23	0	0	0	4.69	93.87	Very good
Total Average						**4.32**	**86.36**	**Very good**

Source: Primary Data 2020.

Based on Table 7 it can be seen that the average variable work ethics of Islam are 4, 32 with a TCR of 86.36%. This result means that the Islamic work ethic of employees is considered to be in the very good category. Based on table 4.10, information is also obtained that the most influential question is that the employees of PDAM Padang City in carrying out their work wearing polite clothes and hijab according to Islamic law get the highest score with an average score is 4.69 and TCR 93.87%.

Table 8. Distribution of employee performance frequency

No Item Questions	Scale					Average	TCR	Criteria
	SS	S	KS	TS	STS			
1	30	41	3	1	0	4.33	86.67	Very good
2	32	39	4	0	0	4.37	87.47	Very good
3	29	42	4	0	0	4.33	86.67	Very good
4	34	38	3	0	0	4.41	88.27	Very good
5	33	36	6	0	0	4.36	87.20	Very good
6	41	27	7	0	0	4.45	89.07	Very good
Total Average						**4.36**	**87.25**	**Very good**

Source: Primary Data 2020

According to the table 4:11 to note that the average employee performance variables were 4, 36 with a TCR is 87.25%. This result means that employee performance is assessed into the very good of category. Based on table 4.11, information is also obtained that the most influential question is the time to complete work faster when compared to other colleagues who get the highest score with an average score is 4.45 and a TCR is 89.07%. This means that it is important for PDAM Padang city employees to do their work quickly so that this will be able to improve employee performance.

Classical Assumption Test Results

Normality Test Results

Table 9. Normality test results

		Unstandardized Residual
N		75
Normal Parameters [a]	Mean	-.0555085
	Std. Deviation	4.02718567
Kolmogorov-Smirnov Z		.773
Asymp. Sig. (2-tailed)		.588
a. Test distribution is Normal.		

Source: Results of SPSS 16.0 Data Processing.

Based on the results of the above analysis, it can be seen that the significant value on the Asymp Sig. (2-tailed) is 0.588> 0.05, so Ho is accepted. Thus it can be concluded that the data is normally distributed.

Hypothesis testing

Table 10. First regression results

Variable	Coefficient	Significance	Conclusion
Constant (a)	- 2,289	0.852	-
Locus of Control (X)	0.704	0.038	H_1 Accepted

PERFORMANCE = -2.289 + 0.704 X

It is found that the *Locus of Control* variable has a regression coefficient with a positive direction is 0.704. This means that the higher the *Locus of Control* owned by PDAM Padang city employees, he is higher their performance.

Based on testing with SPSS, the results of testing the effect of *Locus of Control* on performance indicate the significance value obtained is 0.038. The significance value is less than 0.050. This means that H_1 is accepted that *Locus of Control* has a significant positive effect on employee performance.

Table 11. Second Regression Results

Variable	Coefficient	Significance	Conclusion
Locus of Control	-8,976	0.045	H_2 Accepted
Islamic Work Ethics	-13,979	0.031	
LOC * EKI	0.375	0.031	

Source: Results of SPSS 16.0 Data Processing

PERFORMANCE = -8.976LOC -13.979EKI + 0.375LOC * EKI

It is found that the *Locus of Control* variable, the Islamic work ethic in the interaction of the two variables has a regression coefficient with a positive direction of 0.375. This means that increased *Locus of Control* and supported by Islamic work ethics will improve performance.

Based on testing with SPSS, the results of testing the effect of *Locus of Control* interaction with Islamic work ethics (LOC* EKI) on performance showed a significance value of 0.031. The significance value is less than 0.050. This means that H_2 is accepted, which implies that *Locus of Control* interaction with Islamic work ethics has a noteworthy positive impact on employee performance.

IV. DISCUSSION

The Influence of *Locus of Control* on the Performance of PDAM Padang City Employees

The first hypothesis states that the *Locus of Control* has a positive and significant effect on employee performance.

This means that the higher the *Locus of Control for* PDAM Padang city employees, the higher their performance in a company. Thus the hypothesis is accepted.

According to (Karim, 2013) individuals like this have a high work ethic, are steadfast in facing all kinds of problems in life and at work. Although there is a sense of concern in him, this feeling is relatively small compared to his enthusiasm and courage to hold back so that people like this never want to run away from all problems at work. Therefore, performance is also influenced by individual personality types with internal *Locus of Control* more focused on tasks so that it will improve performance.

This result is by Ary and Sriathi, (2019) and Ridwan, (2013). This can be seen from the confident attitude of PDAM Padang city employees, where when they perform well, they believe that it is due to their efforts or skills and also they never want to run away from every problem at work. So the conclusion is that *Locus of Control* is an effort that is put out by someone according to their abilities so that the individual will produce the best performance.

The Influence of *Locus of Control* On The Performance Of PDAM Padang City Employees With Islamic Work Ethics As A Moderating Variable

The second hypothesis is that there is a positive and significant relationship between *Locus of Control* and employee performance in PDAM Padang city employees. This means that the Islamic Work Ethics variable is a Moderating variable. In essence, the stronger the relationship between *Locus of Control* and PDAM Padang city employee performance is proven.

According to (Nur, 2016) The influence of *Locus of Control* on Employee Performance before the existence of Islamic Work Ethics has shown significant results, but after Islamic Work Ethics entered as a moderating variable, both of them had an increasingly strong increase. Quoting from Imam Sirkasi concluded will the importance of labour in Islam with the sentence: "Looking for a living to live is the obligation of Muslims" This is by the words of the Prophet Muhammad that hard work leads to freedom from sin and no one eats better food if he does not eat what it works for.

The results of this study are by Nur, (2016) and Rahayuningsih, (2015). This can be seen from the area of the city of Padang which is famous for its traditional *"basandi syara', syara' basandi kitabullah"*. With the Minangkabau custom, of course, the employees of PDAM Padang City feel the influence of the Islamic Work Ethic which is based on morals, starting from praiseworthy attitudes and behaviour and Religion is the basis and guideline of life. So it can be concluded that individuals who see the understanding of Islamic Work Ethics according to the opinions and research above believe that the fate of the individual is in his own hands. By the efforts and abilities that have been devoted, this makes an individual flexible in improving his performance and quality of life. This is because the understanding of religion always seems to encourage his work.

V. CONCLUSION

Based on the related research problems, several conclusions can be drawn as follows: 1) Overall regression results indicate that the *Locus of Control* positive and significant effect on employee performance. These results provide empirical evidence that the higher the level of *Locus of Control* which is clearly stated and specifically can improve the performance of PDAMPadang city employees; and 2) The calculation results for the moderating variable state that Islamic Work Ethics can moderate the influence of *Locus of Control* on employee performance. This means that individuals who work have a purpose to meet their needs, this is usually influenced by individual efforts to cultivate their abilities to achieve good performance.

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