

rise to higher levels of job involvement and satisfaction. Previous studies shows that IWE enhances emotional attachment, ethical self-regulation, and trust in leadership, which improve retention over time (Yacoub et al., 2024; Khan et al., 2024; Aprilya et al., 2025; Awad & Mahmoud, 2024; Awad et al., 2025). Employees who perceive their workplace as value-laden are more organizationally loyal, as noted by Jabib et al. (2023) and Mari & Hussain (2021). Yacoub et al. (2024) and Kamel et al. (2025) empirically tested the theory and found ethical fit does have a strong relationship with motivation, satisfaction, and attrition levels — which is more prominent in Islamic-oriented firms. Even with these positive links, there is still a lack of research on how IWE translates to retention in employment, especially in Islamic banking which is culturally Islamic. Several researchers have noted that Islamic banks, aside from ethical branding, are facing significant internal challenges in talent retention (Almagharbeh, 2024; Al-Ramahi et al., 2024; Awad, 2024; Awad, 2025; Awad & Alharthi, 2025). Ashour et al. (2024) and Almagharbeh (2025) pointed out that job satisfaction emerged as a critical driver of employee retention, though the role of mediation between ethical climate and retention is still understudied. In addition, Almagharbeh (2024) stressed that most studies about retention in the Islamic banking sector underestimate the profound motivational influence of ethics, focusing instead on extrinsic variables like salary, benefits, or security. Al-Akash et al. (2024) and Almagharbeh (2025) also note that while IWE increases affective commitment, the influence through job satisfaction has yet to be empirically established with robust analytical techniques. This research is significant because it attempts to help fill the gap of how Islamic Work Ethics, embedded in the socio-religious identity of Muslim-majority countries, can strategically assist in retention of employees. This gap aims to address the emerging phenomenon of employee disaffection, particularly among younger constituents introspecting for meaning, ethical alignment, and fulfillment in their careers. Taking job satisfaction into account as a mediator in the analysis illustrates the retention outcomes of ethical culture. The depth of the organizational ethics literature is also psychologically advanced, as it responds to practitioner concerns about evidence-based retention strategies that emphasize meaningful workplace value. The unique socio-economic and religious context of Pakistan makes it the ideal focal point for empirical investigation. As the second-most populous Muslim country and with over 20% of its total banking assets held in Islamic banks (Almagharbeh et al., 2025; Awad et al., 2024; Aldabousi et al., 2025; Brahmi et al., 2025), Pakistan shows cultural synergy and sectoral need. The Islamic banking sector is experiencing rapid growth, but it is still grappling with high turnover, dissatisfaction, and internal ethical culture retention. The complex issues of the sector, along with Pakistan's strong Islamic values, provide opportunities to explore how IWE can enhance retention through job satisfaction. Multiple practical and scholarly contributions stem from this study. First, the incorporation of Islamic ethical frameworks as antecedents of workplace satisfaction and subsequent behavior integratively broaden Social Exchange Theory. Culturally situated theories of mediation that address gaps in Islamic business ethics and retention research are also proposed. Third, its conclusions provide practical suggestions for Islamic executives and personnel administrators, allowing them to craft retention policies based on ethics and job satisfaction. Finally, it contributes to the discussion on how faith can be constructively applied to solve modern business problems in the Muslim world. In terms of methodology, the study adopts a quantitative approach with a cross-sectional survey design. This involved the distribution of a prepared questionnaire to employees of Islamic banks located in major cities of Pakistan. Out of these, 252 responses were found to be valid. Responses were analyzed through

SPSS for preliminary descriptive statistics and AMOS for SEM (i.e. for the modeling of relationships between multiple variables) to evaluate direct and indirect effects. The mediating influence of job satisfaction was evaluated using the bootstrap method, while confirmatory factor analysis was used to guarantee construct validity. The study clearly demonstrates adequacy and relevance in the context of Islamic management and organizational behavior, as well as employee retention, thereby strengthening debates on these issues, while at the same time ensuring academic rigor and statistical robustness.

2. Theoretical Background

This study is rooted mainly in Social Exchange Theory (SET) (Blau, 1964), which explains that relationships in a workplace result from reciprocal giving and receiving of resources, whether concrete or abstract. Within the scope of Islamic Work Ethics (IWE), employees regard ethical treatment of them as an organizational resource, a psychological or moral resource to be precise, and therefore merit reciprocity through loyalty, job satisfaction, and commitment over time. Thus, IWE generates an exchange moral structure that is well integrated with SET by both reinforcing the idea that organizations are expected to act on fundamental values, with employees responding by deepening their emotional attachment and reducing intention to leave the organization. SET has been extensively applied in prior research seeking to understand the association between ethical work climate and organizational outcomes. For example, Al-Ramahi et al., (2024) noted the positive impact of Islamic Work Ethics on job participation and organizational commitment through social exchange processes. Likewise, Alghizzawi et al., (2025) verified that Islamic Work Ethics constitute a non-material incentive-structure which heightens employee's morale and engagement at work. Their findings were supported by Ashour et al., (2024), who showed that Islamic Work Ethics stimulate intrinsic motivation and therefore foster positive behavior like reducing absenteeism and improving retention. A different theory relevant to this case study is the Affective Events Theory (AET) (Weiss & Cropanzano, 1996; El Gareh et al., 2025; Ghonim & Awad, 2024), which claims that employees' emotions towards various events in the workplace have great impact on their job satisfaction and organizational behavior. IWE as an ethical climate fosters fairness, respect, and cooperation, which are viewed by employees as positive micro daily events. Based on AET, positive perceptions of events and situations in the workplace result in positive affective responses. These responses strengthen the employee's level of satisfaction and decrease the employee's intent to leave (Aman-ullah et al., 2025; Ghonim et al., 2025; Hussain, 2025). From the AET applican perspective of IWE Nasution & Rafiki, (2020) and Rizki et al., (2017) proved that employees working in ethically guided organizations reported higher emotional engagement and satisfaction with their roles. Alongside this, Organizational Support Theory (Eisenberger et al., 1986; Hussain, 1988; Hussain & Mari, 2023) claims that employees form unitary beliefs regarding the degree to which the organization is concerned about their contributions and welfare. Through IWE, which promotes compassion and social justice, perceived organizational support is enhanced. Yacoub et al., (2024) assert that employees aligned ethically with an organization are more likely to feel supported which leads to increased job satisfaction and organizational loyalty. In highly collectivist cultures such as Pakistan, this affective commitment to the organization is crucial, as deeply held shared values influence workplace loyalty. The theory of planned behavior (Ajzen, 1991; Hussain & Mari, 2023; Khan et al., 2024)

also offers some indirect reasoning support for the model in question. Integrated Work Environment (IWE) impacts employees' behavioral intentions by influencing their attitudes, subjective norms, and perception of control pertaining to ethics. As Rizki et al. (2017) noted, employees who operate under ethical frameworks often tend to have a much higher intention to stay within the organization. The reason for this could be the alignment of personal values and the organization's values. Also, Shaheen et al. (2022) suggested that IWE, which fosters moral obligation and intrinsic motivations, largely predicts behavioral outcomes such as reduced turnover, more so than IWE on its own. Additionally, Herzberg's Two-Factor Theory (Ewen et al., 1966; Mari & Hussain, 2021; Khan et al., 2024; Mahmoud et al., 2025) explains that job satisfaction and job dissatisfaction both stem from different sources. Islamic Work Ethics serve as powerful intrinsic drivers, which also include recognition, achievement, and meaningful work. Subih et al. (2024) and Rahman et al. (2020) argue that in Islamic organizations, spiritual satisfaction and ethical alignment emerges as significant motivators of satisfaction while the absence of or lack of these alignment leads to dissatisfaction which leads to attrition. Attitude-driven or IWE-driven retention can be better understood through Herzberg's framework by considering job satisfaction as a primary mediator in the relationship between IWE and retention. Also, Value Congruence Theory (Chatman, 1989; Majeed et al., 2025; Hussain, 2021) considers alignment of personal values such as beliefs Islam, in relation to organizational culture IWE, as a predictor of stronger organizational commitment, and lower turnover intentions. Kamel et al., (2025) reported that in settings where IWE is enacted, value congruence enhances job satisfaction and loyalty among employees of Islamic institutions. All these theories address the gaps, where IWE represents an ethical anchor that is, when viewed positively nurtures the employee-organization exchange relationship. Job satisfaction is an emotional and psychological outcome driven by inequity, value congruence, and motivation that mediates the effect of perception of fairness on the exchanged relation met as a result of the system of governance, i.e governance elicited concordance with organizational and individual aims. The retention of those employees becomes a behavioral outcome of the exchange system conditioned by affective factors and returns on satisfaction. Applying Social Exchange Theory as the main focus and applying AET, Organizational Support Theory, Herzberg's, and Value Congruence Theory allow us to explore the ethical values and their influence on retention in satisfaction pathways in Islamic workplaces from different perspectives. These frameworks enhance explanatory power but also the depth of the study's model in similar socio-religious organizational contexts.

2.1 Islamic Ethics of Work and Emp Retention

The IWE (Islamic Work Ethics) systems stems from the Islam Quranic principles which include justice, accountability, honesty and mutual respect. These principles strengthen the moral and spiritual sides of an individual. IWE encourages ethical practices and classifies work as a virtue (which encourages people to work hard) while cutting practices like embezzlement. This enables a workplace that resonates with employee's values (Mari & Hussain, 2021; Qadeer & Awad, 2025). Numerous empirical studies verify the impact of Islamic ethical values on employee attitudes such as intention to stay with the organization. Kamel et al., (2025) found that IWE increases employees' retention by enhancing commitment and sense of belonging, both being strong predictors of retention. Kamel et al., (2025) confirmed that employees become

more loyal to the organization when Islamic principles are observed at work. Brahmi et al., (1988) advanced the proposition that trust, which is fostered by a values-based work environment leads to lower employee turnover. Brahmi et al., (1988) further showed that turnover intentions were lower in Islamic organizations due to ethical congruence and respect for employees' spiritual beliefs. Aflah et al., (2021) observed that employees tend to view ethically guided leadership as an indication of organizational longevity. In relation to Pakistan's Islamic banking industry, where religion is integral to the organizational culture and sub-cultures as well as to social norms employees encounter, the presence of Islamic Work Ethics IWE is crucial in influencing retention behavior. Because of the congruence between individual beliefs and work place values, employees tend to stay in organizations which maintain Islamic ethical values (Aprilya et al., 2025; Qadeer & Awad, 2025; Saad et al., 2025; Wahid & Awad, 2025). Thus, it is reasonable to propose a hypothesis based on theory and existing research that:

H1: There is a positive relationship between Islamic Work Ethics and Employee Retention in Islamic Banking Sector.

2.2 Mediating Role of Job Satisfaction

Islamic Work Ethics (IWE) emphasizes workplace behavior through the lenses of honesty, justice, trust, and mutual respect, which also aids in improving employee attitudes. Once employees perceive that their organization embodies Islamic ethical values, it meets their innate spiritual needs and psychologically aligns them, which enhances job satisfaction (Aldarawsheh et al., 2024). Enhanced job satisfaction was, and still is a major driver of employee retention. Caniago & Mustoko (2020) found that IWE significantly increased job satisfaction, which improved organizational commitment and reduced turnover intention. Khan et al. (2023) similarly found that Islamically rooted ethical work climates increase emotional organizational attachment by heightening satisfaction with management and the roles employees occupy within the organization. Hussain et al., (2023) and Aflah et al., (2021) illustrated that the spiritual alignment caused by IWE creates meaningful work experiences, known to improve retention rates. In a multi-national study, Hussain et al. (2023) showed that job satisfaction is a major explanatory link in the relationship between ethical work environments and employees' behavioral outcomes concerning retention. More recently, Khan et al. (2024) showed that satisfaction from value congruence and ethical leadership, stemming from Islamic values, impacts employees' retention decisions. Due to the ethics of Islamic banking institutions and Shariah-compliant paradigms, employees tend to remain with the organization when there is satisfaction concerning the ethical and spiritual dimensions of the workplace. Thus, satisfaction is claimed to act as an emotional and cognitive mediator between IWE and enduring retention of employees. Thus, the conjecture put forth is:

H1: Job Satisfaction significantly mediates the relationship between Islamic Work Ethics and Employee Retention in the Islamic Banking Sector.

3. Methodology

The current study utilized a cross-sectional quantitative approach to research where Struwig and Stead (2001) suggest it is most applicable in studying modern day occurrences in the workplace in a non-experimental environment. To understand how employees perceive and behave within

the Islamic banking system, relevant data was obtained from January to March 2025 from the leading branches of major Islamic banks situated in Karachi, Pakistan, a city that popularly hosts a large number of Shariah compliant financial institutions. Because there was limited time to collect data and respondents were readily available, a convenience sampling method was opted for to meet the requirement of a designated sample size within the timeframe. The study participants comprised 400 banking clients that completed surveys distributed in person at the banks and online via the HR departments and professional social media groups. Respondents were screened for incomplete answers, and after this process, 252 responses were valid and complete, providing a response rate of 63%, which, although not surpassing 70%, is still a reasonable number considering organizational behavior studies in trusting professional environments. Participants were full time employees of the Islamic banks within the ages of 23-50, holding at least one year of continuous employment to ensure exposure to workplace culture and ethical conduct and were fluent in the workplace culture. All participants filled an informed consent explaining the research objectives while assuring respondents anonymity as well as the freedom to withdraw from the research at any time. The relevant institutional review board was contacted prior to the study commencing to ensure no compliance research ethics were broken. As all primary research works as validated scales crafted in previous research analogous measurement tools were employed. The measure for Islamic Work Ethics was a 5-item scale by Jabib et al. (2023) which captures elements of honesty, hard work and accountability. Job Satisfaction was measured with the Durrani (2017) 5-item scale which includes concepts of satisfaction, relationships with supervisors, and role clarity. Employee Retention was measured by a self-constructed scale of 5 items based on Aldarawsheh et al. (2024) which captures intent to stay, organizational loyalty, and commitment. To enhance clarity and uniformity across constructs, responses were obtained using a 5-point Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree). A pilot test with thirty respondents was conducted to evaluate the reliability and clarity of the questionnaire items prior to full-scale data collection. Microsoft Excel was first used to compile raw data and integrate data from various trials before switching to analytical software SPSS 26, afterwards conducting analysis of descriptive statistics, and reliability testing using Cronbach’s alpha. Subsequent analyses were performed using AMOS 26, which included Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) to test the hypotheses. But some technical reasons we can’t added. We’re interested in the indirect association between Islamic Work Ethics and Employee Retention, which was assessed through Bootstrapping with 5000 resamples using job satisfaction as a mediating factor.

3. Data Analysis and Results

Table 1: Demographic Profile of Respondents (N = 252)

Demographic variable	Category	Frequency	Percentage
Gender	Male	147	58.3%
	Female	105	41.7%
Age	23-30 years	94	37.3%
	31-40 years	111	44.0%
	41-50 years	47	18.7%

Educational background	Bachelors	98	38.9%
	Masters	137	54.4%
	PhD	17	6.7%
Work Experience	1-3 years	62	24.6%
	7-10 years	88	34.9%
	11+ years	29	11.5%
Job Position	Entry level	81	32.1%
	Middle management	113	44.8%
	Senior Management	58	23.0%

While illustrating the respondents working at the Islamic banks in Karachi, Table 1’s demographic data has captured some details that are relevant. There is a male (58.3%) employee predominance as part of the responders compared to the female participants, although a considerable proportion of 41.7% female participation indicates positive shifts towards inclusivity in the Islamic banking sector. The age group 31–40 seems to dominate the sample with 44% which indicates that they are in their prime professional years. The professional qualifications of the respondents also suggests that they are aligned with the demanded profile of Islamic banking institutions as more than half of the respondents (54.4%) hold a Master’s degree. The work experience distribution shows a healthy blend of early-career and mid-career professionals with 34.9% and 29% having 4–6 and 7–10 years of experience respectively which reflects stability and growth within the sector. With regard to occupation, the sample is predominantly composed of middle management employees 44.8% and, followed by junior employees 32.1% offering a balanced view of both operational and strategic layers. The ascendancy of senior management to 23% ensures, however that leadership perspectives will be incorporated into the study. These details, in combination, bolster the dependability and the generalizability of the outcomes. This is particularly important because the study strives to capture the entire banking workforce of Pakistan, representing the myriad of professional strata that exist within Islamic banking.

Table 2. Cronbach’s alpha, Descriptive Statistics and Correlation Matrix

Variables	Mean	SD	Cronbach’s alpha	1	2	3
Islamic Work Ethics	4.08	0.61	0.873	1.00		
Job satisfaction	4.21	0.67	0.857	.704**	1.00	
Employee Retention	4.15	0.64	0.869	.678**	.729**	1.00

Note: *N = 252; SD = Standard Deviation; * $p < 0.01$ (2-tailed).

Table 2 showcases the core constructs’ descriptive statistics with reliability analysis and internal correlations. All variables indicate strong internal consistency and reliability. As per the measurement scales, the respondents had a positive perception regarding

Islamic Work Ethics (M = 4.08), Job Satisfaction (M = 4.21), and Employee Retention (M = 4.15). A strong positive correlation was also identified between Islamic Work Ethics and Job Satisfaction ($r = .704, p < .01$). This means that employees who are aligned with the Islamic Work Ethics on a deeper level tend to have greater satisfaction the more they are satisfied with their job. Job Satisfaction has a strong correlation with Employee Retention ($r = .729, p < .01$), affirming its role as a mediating variable. Correlation of Islamic Work Ethics and Employee Retention ($r = .678, p < .01$) also supports the rationale for considering Job Satisfaction as a mediating variable. These results justify the application of structural equation modeling (SEM) to evaluate the direct and indirect effects—the latter through mediation—while validating the study’s conceptual model.

Table 3. Measurement Model Fit Indices

Index	Cutoff Criteria	Islamic work ethics	Job satisfaction	Employee retention
X ²	Lower preferred	52.724	23.138	34.867
X ² / degrees of freedom (df)	<5.0	2.187	1.512	1.846
RMR	<0.08	0.038	0.022	0.031
CFI	>0.90	0.967	0.995	0.976
GFI	>0.90	0.954	0.984	0.971
NFI	>0.90	0.942	0.989	0.957
RMSEA	<0.10	0.064	0.041	0.053

All three constructs – Islamic Work Ethics, Job Satisfaction, and Employee Retention – show that the measurement model fit indices ranges from moderate to very high fit within accepted boundaries. All reported variables’ χ^2/df values are far from the 5.0 cut-off point indicating good fit with respect to model complexity, with all below 4.0. All RMR scores were below the 0.08 mark, indicating low residuals and high accuracy of predictive models. CFI, GFI, and NFI all soar past the 0.90 mark suggesting that the measurement models provide adequate variance and fit within the overall dataset. Values below 0.07 for RMSEA means these models maintain good fit within the margin of error bound, endorsing the statement. The models are not overly complex. The findings from these tests confirm that the measurement instruments used are reliable, and thus it is valid to continue with the structural model analysis to evaluate the proposed relationships and mediation effects within the context of the Islamic banking sector.

Table 4. Mediation Analysis Results (Preacher & Hayes Bootstrapping)

Hypothesis	Effects	P-value	LLCI	ULCI
Job Satisfaction mediating between Islamic Work Ethics and Employee Retention	0.3857	0.0015	0.3128	0.4624

The mediation analysis using the Preacher and Hayes bootstrapping method verifies the notable indirect influence of Job Satisfaction on the connection between Islamic Work Ethics and Employee Retention in the context of the Islamic banking sector. With an indirect effect coefficient (0.3857), that type of effect exceeds the threshold of meaningful mediation impact, which indicates that job satisfaction explains part of the association between work ethics and retention. The p-value (0.0015), which is less than the 0.05 threshold, confirms that the mediation effect is statistically significant. The confidence interval of 95% (LLCI = 0.3128, ULCI = 0.4624) further confirms absence of zero, therefore validating the robust presence of a significant mediating effect. These findings demonstrate powerful support for the existing theory that job satisfaction serves as a mediator and that it has importance in improving employee retention in relation to Islamic work ethic compliance.

Discussion

This study evaluated how Job Satisfaction mediates the relationship between Islamic Work Ethics and Employee Retention in Pakistan's Islamic banking sector. Findings indicate that Islamic Work Ethics positively affects employee retention with and through job satisfaction, confirming that workplace values ethics significantly contribute to employee commitment and organizational loyalty. The relationship of IWE and employee retention also has a positive correlation with Islamic Work Ethics as shown in Khan et al. (2023). Their research noted that observing Islamic ethical bounds encourages responsibility and loyalty from employees. Organizational culture that incorporates Islamic ethics tends to have high retention rates, Rahman (2020) explains, due to the trust and moral satisfaction employees derive. These findings highlight the retention strategies of organizations, particularly financial institutions, that integrate religious values into Islamic teachings. Moreover, the Job Satisfaction mediating effect supports other works such as Yacoub et al. (2024), stating that Job Satisfaction mediates the impact of Islamic ethics policies and standards on participants' intent to stay with the employer. This mediation illustrates the psychological processes through which ethical workplaces increase employee satisfaction and consequently enhance retention. Subih et al. (2024) documented similar mediation effects and argued that job satisfaction represents an important psychological mediating state, which alters ethical organizational policies into observable behaviors. The English translation of this study, which found a substantial relation between Islamic Work Ethics and Job Satisfaction, is further corroborated by Rahman (2020), who showed that employees who consider Islamic values important in their work ethics have greater job satisfaction if they perceive their organization as ethically grounded. This satisfaction stems from alignment between personal values and organizational policies, supporting the notion that the organization creates a healthy work atmosphere that enhances employee's well-being and motivation. Moreover, they are consistent with Job Satisfaction and Employee Retention, fulfilling the gap on job satisfaction as a major retention predictor (Riadi et al., 2025). This strengthens the argument that it is easier to retain and maintain human capital when employees are content because their loyalty increases and turnover intentions decrease. These findings also correspond with Hussain et al. (2023) noted that employees of Islamic banking sectors who are more satisfied with their jobs tend to be more loyal which implies that satisfaction arising from ethical treatment at work can mitigate attrition. This relationship was reinforced in the research conducted by Nastution & Rafiki (2020) underlining that sectors of Islamic Banking with developed ethical cultures retain employees better to buliding their talents and enabling meaningful work engagement and job satisfaction. Taken together, these results illustrate the growing empirical findings on the impact of Islamic Work Ethics as an element that enhances employee retention, articulate through Job Satisfaction as a mediating variable. The three pathways of Islamic Work Ethic highlight the ethical organizational culture's impact on employees' perception and behavior in the Islamic banking industry. As noted in the

findings, there is considerable empirical support that banks that embrace Islamic ethical values tend to create an environment with high value that enhances job satisfaction and lowers employee turnover, which fosters retention. These findings coincide with previous research conducted in the framework of Islamic banking and ethical work domains and reinforced the idea that ethical considerations are important elements of retention policies.

Theoretical Implications

This research explains the role of mediation by Job Satisfaction and the linkage between Islamic Work Ethics and Employee Retention in the context of the Islamic banking industry of Pakistan, which adds value to both theory and practice. This research seeks to fill this gap by examining how an Islamic Work Ethic and an employee's job retention behavior intersect using the Islamic Ethics framework. There are few studies that have integrated ethical paradigms with organizational behavior and this study seeks to make a contribution with respect to *di al diwan al iniga* by placing Islamic Work Ethics in the context of employee retention. Although retention has been researched more than satisfaction, this study uniquely positions job satisfaction as a mediator. This advance Islamic management theories constructs by providing empirical evidence for findings that support the Social Exchange Theory and Organizational Commitment Theory and how such frameworks are understood within Islamic culture strengthens the discourse on religion's influence on work attitudes and behaviors of employees, thereby increasing the discourse on Islamic management literature while offering a model that can be tested in other Muslim-majority countries.

Practical Implications

In principle the results of the investigation are useful for the human resource managers and leaders of Islamic banking institutions. Including Islamic Work Ethics in policies and practices may enhance employee satisfaction, which is a critical factor in retention of talented and committed employees in the organization. Therefore, managers need to create ethical work environments based on Islam's concepts of justice, honesty, and mutual respect that enable employees to be internally motivated and committed to the organization. Such practices will help institutions deal with the expensive costs associated with turnover, workforce volatility, and low organizational performance. It can be added that HR as a matter of principle should concentrate on strategies aimed at increasing employees' job satisfaction in particular by making work challenging, rewarding, and adequately regarded. In this way, they will amend the negative impact of ethical climate on taxpayers' employee retention. It has been shown that the study fills an important void in scholarly literature on ethical culture of an organization and the implications towards retention issues through psychological job satisfaction and provides important evidence for developing policies to strengthen sustainable human capital in Islamic banking and similar institutions in practice and academic worlds.

Limitations And Future Research Directions

This study included insights on how job satisfaction mediates the relationship between Islamic Work Ethics and employee retention in the Islamic banking sector, this study

also has shortcomings such as not being generalizable in other contexts and therefore, directing further research. First, it is worth noting that the study utilized a cross-sectional research design which does not permit causality to be inferred among the various was examined. It is suggested that longitudinal studies be employed in regard to tracing relationships over time and identifying causal mechanisms, thus proving more conclusively how Islamic Work Ethics affect job satisfaction and retention. Second, focus was only on Islamic banking employees situated in Karachi, Pakistan, which may restrict the applicability of the findings to other geographic locations, sectors, or cultural settings. Future studies could expand the scope to cover a number of cities, different sectors or even cross-national comparative studies to analyze how Islamic Work Ethics operate in varying contexts. Third, this study utilized self-reported measures which are susceptible to social desirability bias or common method variance. Using multi-source data including supervisors' evaluations or organizational records as well as objective retention metrics would strengthen the credibility of the outcome of future studies. Fourth, while job satisfaction was analyzed as a mediator, other mediating or moderating variables like organizational commitment, psychological empowerment, or leadership styles were ignored. These other factors could help explain how Islamic Work Ethics impact employee retention more transparently. Lastly, the digital evolution along with new workforce expectations dramatically shifts the scope of Islamic banking. Further research could examine the interplay between emerging remote work trends, technology, generational shifts, and Islamic Work Ethics on employee outcomes. Meeting these limitations will enrich the existing theories as well as the concepts put forth at the practical level and help improve employee retention strategies in Islamic financial institutions and beyond.

Conclusion

With Islamic Work Ethics and Job Satisfaction as the mediating factor, this study successfully establishes that an employee's retention in a Pakistani Islamic bank is enhanced. As revealed in the study, Islamic ethics not only directly impact retention but also satisfaction; employees' ethical values deeply impact their level of commitment and loyalty, while job satisfaction influences retention. This phenomenon provides strong evidence that organizational policies and structures motivated by culture and religion are profoundly effective in attending to the productivity gaps within human capital and retention challenges. This is dual in nature; The organizational commitment and retention levels increase, while the motivational and stability bandwidth decreases, resulting in an optimized workforce. This research integrates two domains; ethics and human resource management by empirically justifying the integration of Islamic Work Ethics into corporate culture as a fundamental step towards optimizing employee retention and curtailing disengagement. This study also provides constructive perspectives for managing ethics in Islamic financial institutions and recommendations for leadership restructuring value-oriented workplaces – contextualized in Pakistan and similarly situated nations.

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