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The Relationship Between Strategic Management Implementation and Decision-Making Style in Enhancing Employee Satisfaction: Evidence from Islamic Cooperatives

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Abstract

Research aims: This study aims to examine how strategic management implementation and decision-making styles contribute to employee satisfaction, with a specific focus on Islamic cooperatives. The study also explores the mediating role of organizational performance in this relationship.

Design/Methodology/Approach: The research employs a quantitative approach using Structural Equation Modeling (SEM) with SmartPLS 4. Data were collected through questionnaires distributed to 124 employees of Islamic cooperatives, with 95 valid responses analyzed.

Research Findings: The results indicate that strategic management does not directly affect employee satisfaction but exerts a significant indirect influence through organizational performance. Furthermore, among the various decision-making styles analyzed, only the dependent style showed a significant indirect effect on employee satisfaction through organizational performance.

Theoretical Contribution/Originality: Grounded in dynamic capabilities theory, the study contributes to the literature by highlighting how strategic agility and inclusive decision-making, when aligned with Islamic values, enhance organizational outcomes and employee well-being. Moreover, the study introduces an integrated model linking strategic execution, decision behavior, and performance within the context of Islamic cooperatives.

Practitioners/Policy Implications: The findings underline the importance for Islamic cooperative leaders to align strategic management practices with maqasid sharia principles and to adopt consultative decision styles that foster organizational trust, agility, and employee satisfaction.

Research Limitations/Implications: The study is limited to a specific organizational context (Islamic cooperatives) and a relatively small sample size, which may affect generalizability. Future research could explore different cooperative models or apply a longitudinal approach.

Keywords: employee satisfaction; strategic management; decision-making style; organizational performance; islamic cooperative

Introduction

In an increasingly volatile and competitive organizational environment, the pursuit of employee satisfaction has become central to sustaining long-term performance and achieving strategic goals. Employee

satisfaction is not only linked to individual motivation and retention but also to broader outcomes such as organizational commitment, productivity, and innovation.

In this context, Cosa & Torelli (2024) believe that strategic management plays a critical role, serving as a blueprint for aligning organizational objectives with resources, processes, and performance expectations. However, the implementation of strategic management is not a neutral process; it is profoundly shaped by the behavioral dynamics of organizational leaders, particularly their decision-making styles. Leaders' cognitive preferences and approaches to decision-making influence how strategies are formulated, communicated, and executed (Abubakar et al., 2019; Hao et al., 2024; Snowden & Boone, 2007). The intersection between structured strategic planning and the human element of decision-making has important implications for how employees perceive fairness, autonomy, and engagement within the organization.

From the lens of Islamic management, strategic implementation must not only pursue efficiency and competitiveness but also align with *maqasid sharia*, the higher objectives of Islamic law, which include the preservation of faith, life, intellect, wealth, and lineage (Achmad Bashori et al., 2024; Amar et al., 2025). Strategic decisions are thus expected to be ethically grounded, socially responsible, and spiritually mindful. The principle of *maslahah* (public interest) is particularly relevant, guiding managers to implement strategies that benefit both the organization and its stakeholders, including employees (Goyal et al., 2024; Jaiyeoba et al., 2024).

According to the dynamic capabilities theory, organizations must continuously adapt their internal competencies and decision frameworks to remain competitive in uncertain environments (Joussen et al., 2024; Teece, 2018). This implies that both the design and execution of strategy and the way decisions are made along the way must be dynamic, inclusive, and responsive to employee needs. However, in many organizations, especially in cooperative or values-based institutions such as Islamic cooperatives, the role of strategic decision-making in enhancing employee satisfaction is often underexplored or treated as a secondary concern (Amar et al., 2025; Jayusman et al., 2023; Rahajeng, 2022).

Despite growing attention to employee-centered management, there remains a gap in understanding how the implementation of strategic management, when combined with particular decision-making styles, influences employee satisfaction. Much of the existing literature treats strategic management and decision-making as separate domains, with limited integration of their combined impact on human resource outcomes. Moreover, while strategic initiatives are often well-designed at the top level, their effectiveness may be compromised by decision styles that do not foster participation, clarity, or adaptability among employees. This gap is particularly pronounced in the context of Islamic cooperatives, where strategic management and leadership should ideally support a harmonious balance between employee well-being and organizational goals.

This research seeks to address this gap by specifically examining how different decision styles, particularly within the implementation of strategic management practices, contribute to creating an adaptive and trusting work environment that supports

employee satisfaction. The novelty of this study lies in the intersection of decision-making styles and strategic management in the context of Islamic management, offering fresh and valuable insights into how the integration of maqasid sharia principles can enhance employee satisfaction and help organizational leaders cultivate resilient, people-centered strategies in dynamic operational contexts. The study also discovered that only the dependent decision-making style influences employee satisfaction through organizational performance. The implications of these findings are important for organizational leaders, particularly in Islamic cooperatives, as they emphasize the significance of integrating strategic management with maqasid sharia principles to improve employee satisfaction.

Literature Review and Hypotheses Development

Strategic management is the process through which organizations define their direction and allocate resources to pursue long-term objectives. While the formulation of strategy is critical, its implementation often determines the success or failure of strategic plans (Hrebiniak & Joyce, 2005; Vigfússon et al., 2025). Effective implementation involves operationalizing strategic goals, aligning them with organizational processes, and ensuring their consistent execution across departments. Several studies underscore the importance of aligning strategic initiatives with internal culture, communication systems, and employee involvement (Ahmed et al., 2020; Herman Boikanyo, 2024; Matzler et al., 2004). Decision-making styles reflect the cognitive and behavioral tendencies that leaders exhibit when faced with choices. These range from rational and intuitive to dependent or avoidant approaches (Launer & Çetin, 2025; Scott & Bruce, 1995). Leadership decision-making has been linked to employee satisfaction through its impact on perceptions of fairness, clarity, and autonomy (Varshney & Varshney, 2025; Yadav & Rangnekar, 2015). Styles that promote inclusion and consultation, such as dependent or participatory decision-making, tend to enhance trust and morale within teams. In the context of Islamic organizational leadership, decision-making is guided by shura (mutual consultation), a principle that encourages participative governance and collective reasoning. Shura is deeply rooted in Islamic teachings and is considered a moral and functional imperative for leaders (Al-Qur'an, Surah Ash-Shura 42:38). Leaders are expected to seek counsel from stakeholders, value diverse perspectives, and make decisions that align with both strategic goals and ethical standards. Hence, decision styles consistent with shura are more likely to cultivate employee satisfaction in Islamic institutions.

In Islamic management, the well-being of employees is considered both a moral responsibility and a strategic priority. The principle of ihsan (excellence and benevolence) encourages leaders to act with empathy and justice, ensuring that organizational decisions consider the physical, emotional, and spiritual well-being of staff (Wahab, 2024; Nelson, 2024). Additionally, the concept of adl (justice) reinforces the obligation to treat employees fairly and equitably in the allocation of responsibilities, rewards, and growth opportunities (Nugraha et al., 2023; Yasmeen, 2023). The dynamic capabilities theory (Teece, 2018; Teece et al., 1997) posits that organizations must continuously adapt, integrate, and reconfigure their internal competencies to remain competitive in dynamic environments. Strategic management and decision-making styles are both viewed as

organizational routines that can be developed and modified to better respond to external challenges and internal needs (Teece et al., 1997). Within Islamic cooperatives and value-driven institutions, the dynamic capabilities framework aligns with the Islamic principle of *islah* (continuous improvement or reform) (Rahajeng, 2022). Organizational agility, when combined with spiritual integrity and ethical leadership, can create an environment where employees are not only responsive to change but also motivated by shared values. Decision-making styles that are flexible yet principled contribute to an adaptive strategic culture that enhances employee satisfaction and organizational performance.

Relationship between Strategic Management, Organization Performance, and Employee Satisfaction

Strategic management refers to the formulation and execution of long-term goals that align organizational resources with the external environment. It encompasses not only planning and goal setting but also the systematic implementation of strategies that drive organizational performance. Within the context of human capital, strategic management contributes to the creation of structured work environments, precise role definitions, and alignment between individual objectives and organizational goals. From the employee's perspective, clear strategic direction and effective execution lead to a more predictable, supportive, and purpose-driven work environment.

Prior studies have shown that employees are more likely to report higher levels of satisfaction when they understand their role in achieving organizational strategy and when they perceive that leadership has a coherent vision for the future (Amar et al., 2025; Herman Boikanyo, 2024; Matzler et al., 2004). Taufik et al. (2023) further clarified how strategic management is influenced by *maqashid sharia* and also how strategic management influences organizational performance. In addition, (Mosadeghrad, 2014) highlights the role of strategic management in enhancing employee satisfaction, along with improving company performance and fostering a positive work environment.

In line with the dynamic capabilities theory, strategic management is a capability that enables organizations to adapt, learn, and evolve continuously. This adaptability, when supported by effective communication and inclusive leadership, fosters psychological safety and enhances employee engagement and satisfaction. Based on dynamic capabilities theory, an organization's performance serves as an intermediary between strategic management and employee satisfaction (Beccalli et al., 2023; Rogers & Wright, 1998). Delery and Shaw (2001) revealed that strategic management influences organizational performance and indirectly influences employee satisfaction with the reward system.

Furthermore, within Islamic organizational contexts such as cooperatives, strategic management that integrates ethical principles (*maslahah*, *adl*, and *ihsan*) is likely perceived as more legitimate and meaningful by employees. When strategy implementation reflects fairness, trust, and collective well-being, it reinforces employees' sense of belonging and satisfaction. Therefore, the following hypotheses are proposed:

H_{1a} : Strategic management implementation has a positive and significant effect on employee satisfaction.

H_{1b} : Strategic management implementation has a positive effect on organizational performance.

H_{1c} : Maqashid Sharia has a positive and significant effect on strategic management.

H_{2a} : Organizational performance has a positive effect on employee satisfaction.

H_{2b} : Organizational performance mediates the relationship between strategic management and employee satisfaction.

Relationship between Decision-Making Style and Employee Satisfaction

Research has shown that decision-making styles that emphasize consultation, rationality, or empathy tend to have a positive impact on employee attitudes and satisfaction. Employees are more likely to experience higher satisfaction when they feel that their voices are heard and that decision processes are transparent and consistent. For example, the dependent decision-making style, which involves seeking guidance or consensus, may foster a collaborative culture and strengthen trust between employees and management. While decision-making style may have a direct influence on employee satisfaction, recent literature suggests that this relationship can also be indirect, through its effect on organizational performance (Goyal et al., 2024; Hao et al., 2024; Launer & Çetin, 2025; Yadav & Rangnekar, 2015). Leaders who adopt inclusive or rational decision-making styles are more likely to foster effective planning, problem-solving, and collaboration, which can enhance organizational outcomes. Improved organizational performance, in turn, creates a positive work environment characterized by stability, goal clarity, recognition, and growth opportunities, all of which are known contributors to employee satisfaction (Hussein Amzat & Abdul Rahman Idris, 2012; Launer & Çetin, 2025; Scott & Bruce, 1995).

From the perspective of dynamic capabilities theory, decision-making style can be viewed as a managerial capability that enables the organization to adapt, learn, and reconfigure its resources in response to change (Abdulwahab et al., 2021). When decision-making supports these capabilities, it leads to stronger performance outcomes (Xia et al., 2016). Consequently, employees who are part of a high-performing organization are more likely to express higher levels of satisfaction due to increased confidence in leadership, perceived organizational effectiveness, and personal growth opportunities. In Islamic organizational contexts, especially within cooperatives, the value of shura (consultative decision-making) plays a critical role (Appelbaum et al., 2013). Decision styles aligned with shura principles not only fulfill spiritual and ethical expectations but also contribute to improved collective performance and employee well-being. Based on hypothesis development and the conceptual framework (Figure 1), the following hypothesis is proposed:

H_{3a} : Organizational performance mediates the relationship between intuitive decision-making style and employee satisfaction.

H_{3b} : Organizational performance mediates the relationship between rational decision-making style and employee satisfaction.

H_{3c} : Organizational performance mediates the relationship between dependent decision-making style and employee satisfaction.

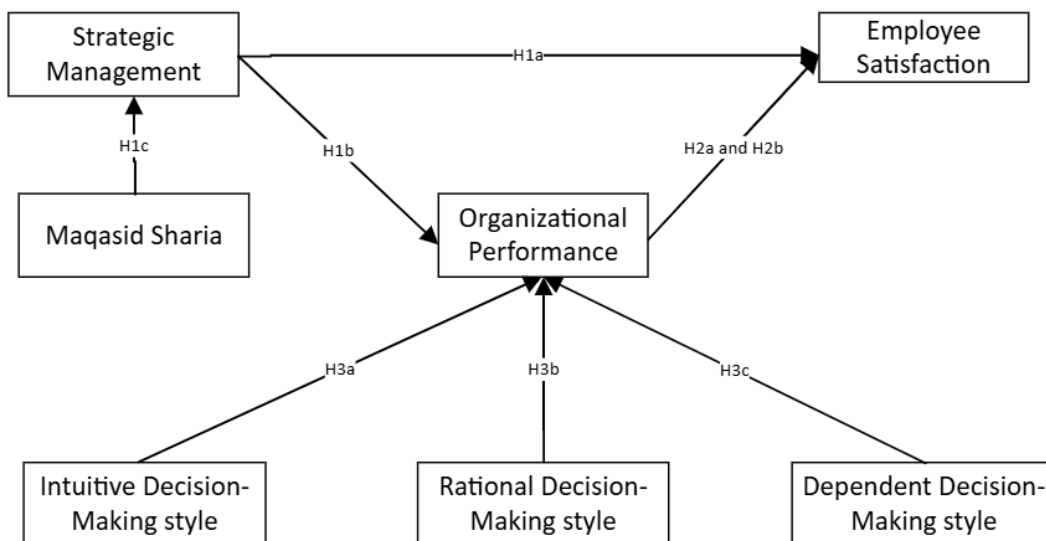


Figure 1 Conceptual Framework

Research Methods

This study employed a quantitative, explanatory research design to examine the relationship between strategic management implementation, decision-making styles, and employee satisfaction. The approach was chosen to enable the empirical testing of hypothesized relationships among variables, as well as to identify the mediating role of organizational performance within this relationship. The population in this study consisted of employees working in Islamic cooperatives. These organizations were selected due to their dual orientation toward commercial sustainability and adherence to Islamic management values. A total of 124 employees were invited to participate in the survey, and 95 valid responses were collected, resulting in a response rate of approximately 77%. A purposive sampling technique was used to ensure that respondents were knowledgeable about strategic practices and organizational decision-making. However, this study is limited in its generalizability by the relatively small sample size ($n = 95$) and the fact that this study focused on one organizational context, Islamic cooperatives in Bogor. However, several considerations led to the selection of this context. First, Islamic cooperatives in Bogor offer a distinct and niche context in the field of strategic management and employee satisfaction, particularly concerning the

integration of Islamic ethical principles like maqashid sharia. Second, this study aims to establish the foundation for future research before comparative studies across different regions that may expand the scope of strategic management practices within this niche sector.

Primary data were collected through a structured questionnaire, which was distributed both online and in printed form. The questionnaire consisted of closed-ended items measured on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The instrument was divided into four variables: the first variable is strategic management implementation, assessing clarity of strategic direction, alignment of activities, and execution capability (Amar et al., 2025; Goyal et al., 2024). The second variable is organizational performance, capturing employee perceptions of operational effectiveness and goal achievement (Abubakar et al., 2019). The third variable is decision-making style, measured using an adapted version of Scott and Bruce (1995), decision-making style indicator. The final variable is employee satisfaction, based on established job satisfaction scales (Matzler et al., 2004; Varshney & Varshney, 2025), measuring emotional and motivational responses to work. All items were reviewed by academic experts and practitioners for content validity and cultural relevance, particularly concerning Islamic organizational contexts. Furthermore, the structure of the measurement items is provided in the variable description in Appendix 1.

The data were analyzed using partial least squares-structural equation modeling (PLS-SEM) via SmartPLS 4 software. This technique was chosen due to its robustness in analyzing complex models with multiple latent variables and relatively small sample sizes (Hair et al., 2020). The analysis followed a two-step procedure: Measurement model assessment – including evaluation of construct reliability (cronbach's alpha and composite reliability), convergent validity (average variance extracted), and discriminant validity (fornell-larcker criterion) (Hair et al., 2019). Structural model assessment – including hypothesis testing, path coefficients, and examination of mediating effects. Bootstrapping with 5,000 resamples was applied to determine the significance of the relationships (Hair et al., 2020). Meanwhile, to strengthen the robustness of this study and control for standard method bias (CMB), this study conducted multigroup analysis based on the data collection period.

Results and Discussion

Table 1 shows the characteristics of respondents. The sample is nearly evenly divided, with a slight majority of female respondents. This indicates a balanced representation of genders in the study. The majority, comprising 63%, are within the age range of 26 to 35, suggesting a predominantly young and mid-career workforce. The 26-35 age group constitutes 63% of the respondents, with the majority possessing 1-5 years of work experience. This indicates a workforce in the early to mid stages of their careers, likely adjusting to changes within the industry. Moreover, only a small percentage of respondents are over 45 years old (7%), indicating a scarcity of senior professionals in the sample. High turnover or career mobility is evident, with 32% of individuals remaining in

their current position for less than one year, and only 5% maintaining the same role for over ten years. This suggests a pattern of frequent job transitions, potentially driven by improved opportunities, dissatisfaction, or aspirations for career advancement. The significant proportion of employees with limited experience indicates that training and career advancement strategies are essential for enhancing retention and job satisfaction.

Table 1 Characteristics of Respondents

Characteristic	Criteria	Frequency (<i>n</i> = 95)	Percentage (%)
Gender	Male	44	46%
	Female	51	54%
Age	18-25	13	14%
	26-35	60	63%
	36-45	15	16%
	>45	7	7%
Working Experiences in the current Position	Less than 1 year	30	32%
	1-5 years	48	51%
	6 - 10 years	12	13%
	More than 10 years	5	5%
Accumulate Working Experiences	Less than 1 year	11	12%
	1-5 years	49	52%
	6 - 10 years	20	21%
	More than 10 years	15	16%

Table 2 evaluates the reliability and validity of the constructs in the study using outer loadings, cronbach's alpha, composite reliability (CR), and average variance extracted (AVE). Outer loadings measure the quality of each indicator's representation, with a threshold of ≥ 0.7 (Hair et al., 2020). In this study, indicators below 0.7 were removed, ensuring strong indicators were retained, while remaining indicators had loadings between 0.723 and 0.927, indicating good measurement quality. The constructs have good internal consistency with cronbach's alpha thresholds higher than 0.7 (Henseler et al., 2015). Furthermore, maqashid sharia shows the highest reliability (0.941), indicating a strong correlation between its indicators. The constructs have a composite reliability of over 0.7, indicating they accurately measure their intended concepts, with Maqashid Sharia having the highest reliability at 0.945. Meanwhile, all constructs have good convergent validity, with dependent decision-making Style (0.752) having the highest AVE, explaining the most variance in its indicators.

Table 2 Measurement Analysis

Construct	Outer Loadings	Cronbach's Alpha'	Composite Reliability	Average Variance Extracted (AVE)
Employee Satisfaction		0.811	0.812	0.641
ES_01	0.723			
ES_02	0.794			
ES_04	0.860			
ES_05	0.818			
Organizational Performance		0.783	0.795	0.604
OP_01	0.842			
OP_02	0.757			
OP_03	0.761			
OP_04	0.744			
Maqashid Sharia		0.941	0.945	0.679
MS_03	0.787			
MS_04	0.795			
MS_05	0.806			
MS_06	0.826			
MS_07	0.795			
MS_08	0.852			
MS_09	0.860			
MS_10	0.854			
MS_11	0.840			
Strategic Management		0.783	0.795	0.604
SO_2	0.770			
SO_3	0.762			
SO_4	0.814			
SO_5	0.731			
SO_6	0.742			
SO_7	0.732			
SO_8	0.760			
Rational Decision-Making Style		0.892	0.892	0.699
DS_01	0.771			
DS_02	0.808			
DS_03	0.837			
DS_04	0.887			
DS_05	0.873			
Intuitive Decision-Making Style		0.882	0.938	0.652
DS_06	0.832			
DS_07	0.781			
DS_08	0.799			
DS_09	0.815			
DS_10	0.808			
Dependent Decision-Making Style		0.834	0.846	0.752
DS_11	0.824			
DS_12	0.927			
DS_15	0.848			

Note: because outer loadings factor under 0.7 "MS_01, MS_02, SO_01, DS_13, DS_14" are exclude from the indicator.

This research suggests utilizing the fornell-larcker criterion in Table 4 to enhance test accuracy in assessing discriminant validity (Henseler et al., 2015). High levels of the fornell-larcker criteria indicate the presence of issues. Table 3 indicates that all test values remained below the maximum threshold of 0.9.

Table 3 Fornell-Larcker Discriminant Validity

	D-DS	ES	I-DS	MS	OP	R-DS
Employee Satisfaction	0.708					
Intuitive Decision-Making Style	0.520	0.334				
Maqashid Sharia	0.524	0.587	0.427			
Organizational Performance	0.608	0.860	0.353	0.468		
Rational_ Decision-Making Style	0.871	0.689	0.450	0.518	0.570	
Strategic Management	0.220	0.305	0.180	0.465	0.393	0.295

The VIF values are below 3 in Table 4, indicating the absence of significant multicollinearity issues in the inner model (Hair et al., 2019). The highest VIF values are observed for dependent decision-making Style (2.497) and rational decision-making Style (2.438) about Organizational Performance; however, these values remain within an acceptable range. Strategic management and organizational performance exhibit low VIF, indicating that these variables are not affected by multicollinearity.

Table 4 VIF-Inner Model List (Collinearity Statistic)

Construct Variable	VIF
Dependent Decision-Making Style -> Organizational Performance	2.497
Intuitive Decision-Making Style -> Organizational Performance	1.422
Maqashid Sharia -> Strategic Management	1.000
Organizational Performance -> Employee Satisfaction	1.143
Rational Decision-Making Style -> Organizational Performance	2.438
Strategic Management -> Employee Satisfaction	1.143
Strategic Management -> Organizational Performance	1.080

Table 5 shows R^2 measures the explanatory power of independent variables, ranging from 0 to 1, while R^2 -adjusted adjusts for the number of predictors in a model (Hair et al., 2019). Higher values indicate stronger explanatory power, while lower values indicate decreased adjusted R^2 if more predictors are added (Hair et al., 2019). The model effectively explains employee satisfaction, the independent variables explain 49% of the variance in employee satisfaction. Meanwhile, organizational performance has weak-to-moderate explanatory power; only 33% of the variance in organizational performance is explained.

Table 5 R^2 Adjusted-Determination Coefficient

	R-square	R-square adjusted
Employee Satisfaction	0.500	0.489
Organizational Performance	0.355	0.327
Strategic Management	0.196	0.188

The statistical significance of the path coefficients was assessed using a rigorous bootstrapping approach with 5,000 samples (Hair et al., 2019). The findings of the structural model analysis are shown in Figure 2.

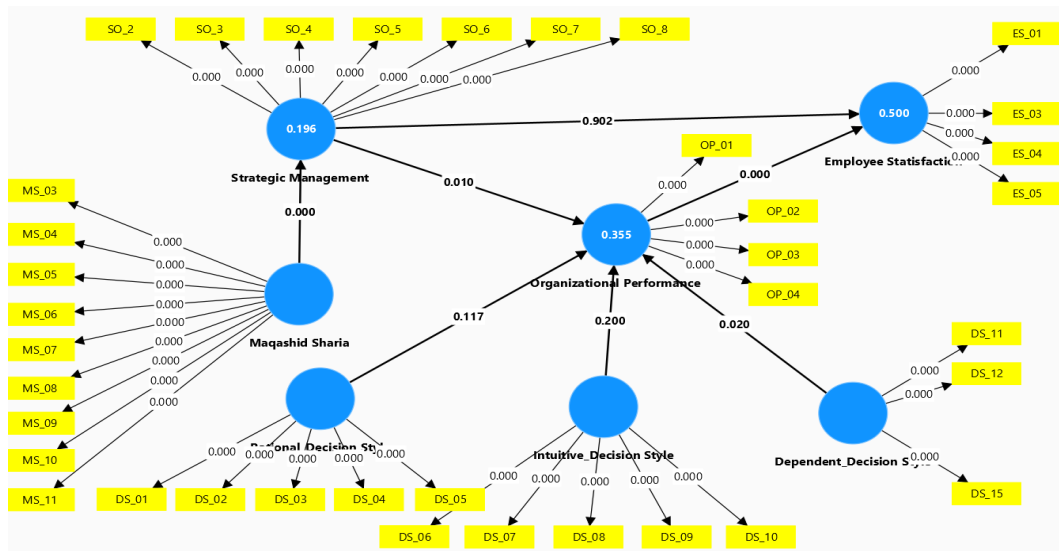


Figure 2 Structural Equation Modelling PLS Results

Table 6 shows that there are four direct and four indirect effect hypotheses. H1a is the only direct effect hypothesis that is not verified. Organizational performance (H2a; $\beta = 0.283$) has a significant positive effect on employee satisfaction. Furthermore, strategic management (H1b; $\beta = 0.262$) considerably improves organizational performance. Furthermore, Maqashid Sharia (H1c; $\beta = 0.443$) strongly impacts strategic management. Therefore, this study supports H1b, H1c, and H2a. Employee satisfaction is not significantly impacted directly by strategic management. However, strategic management has an indirect effect on employee satisfaction through organizational performance (H2b; $\beta = 0.167$). Strategic management will improve employee satisfaction by improving organizational performance first.

Table 6 Results of Hypotheses

	Hypotheses	Original Sample(β)	p-Value	Decision
H1a	Strategic Management -> Employee Satisfaction	0,009	0,902	Not Supported
H1b	Strategic Management -> Organizational Performance	0.237	0.010	Supported
H1c	Maqashid Sharia -> Strategic Management	0.443	0.000	Supported
H2a	Organizational Performance -> Employee Satisfaction	0.704	0.000	Supported
H2b	Strategic Management -> Organizational Performance -> Employee Satisfaction	0.167	0.009	Supported
H3a	Intuitive Decision-Making Style -> Organizational Performance-> Employee Satisfaction	0.080	0.200	Not Supported
H3b	Rational Decision-Making Style -> Organizational Performance-> Employee Satisfaction	0.129	0.126	Not Supported
H3c	Dependent Decision-Making Style -> Organizational Performance-> Employee Satisfaction	0.188	0.029	Supported

Other findings in this study, intuitive decision-making style and rational decision-making style, do not affect employee satisfaction, although the dependent decision-making style (H_{3c} ; $\beta = 0.188$) has a significant effect on employee satisfaction through organizational performance. Employees are more likely to accept decisions based on consultation and collaboration, which can enhance organizational performance and ultimately boost employee satisfaction.

Robustness Test: Multigroup Analysis (MGA)

This study enhances the robustness and mitigates standard method bias (CMB); a multigroup analysis was performed depending on the data collection period. This study analyzed the data collection periods of several subgroups to ascertain the consistency of the correlations in our model across these groups. Table 7 shows the findings of the MGA and demonstrates that the correlations between maqasid sharia, decision-making style, strategic management, organizational performance, and employee satisfaction were uniform among the groups, exhibiting no significant differences. This strengthens the generalizability and robustness of our findings.

Table 7 Multigroup Analysis Results.

	Hypotheses	Difference (Group_1 - Group_2)	1-tailed (Group_1 vs Group_2) p value	2-tailed (Group_1 vs Group_2) p value
H1a	Strategic Management -> Employee Satisfaction	-0.044	0.612	0.388
H1b	Strategic Management -> Organizational Performance	0.357	0.055	0.055
H1c	Maqashid Sharia -> Strategic Management	0.126	0.278	0.278
H2a	Organizational Performance -> Employee Satisfaction	-0.216	0.959	0.141
H2b	Strategic Management -> Organizational Performance -> Employee Satisfaction	0.091	0.074	0.149
H3a	Intuitive Decision-Making Style -> Organizational Performance-> Employee Satisfaction	-0.030	0.577	0.423
H3b	Rational Decision-Making Style -> Organizational Performance-> Employee Satisfaction	0.077	0.374	0.374
H3c	Dependent Decision-Making Style -> Organizational Performance-> Employee Satisfaction	-0.197	0.765	0.235

Discussion

The main finding of this study is that strategic management does not directly influence employee satisfaction, but does so indirectly through organizational performance. Based on dynamic capabilities theory (Teece et al., 1997). A direct relationship might not seem significant in the context of this study, which focuses on Islamic cooperatives, because specific organizational characteristics may have an impact on how employees perceive or apply strategic management. Nonetheless, strategic management continues to have a significant effect on organizational performance, which in turn affects employee satisfaction. Organizations must have a strategy that can continuously adapt their capabilities to remain competitive; a key element is transforming and reconfiguring

resources. Organizations that can maximize organizational agility in improving company performance will be able to create trust and organizational conditions that provide employees with the ability to adapt, leading to increased employee satisfaction and organizational sustainability. This is following (Ahmed et al., 2020; Herman Boikanyo, 2024). The company's strategy towards an organizational culture that can adapt to substantial market changes tends to increase employee satisfaction. In this case, employees feel involved and contribute to the company's adaptation performance. Another finding in Islamic cooperatives is that strategic management is influenced by *maqasid sharia*; *maqasid sharia* is the basis of a person's life goals and organizations based on Islamic principles. Amar et al. (2025) explained *maqasid sharia* as part of the foundation of strategic management to increase the company's value through employee satisfaction.

The second finding is that organizational performance has a direct effect on employee satisfaction. Employees who work in organizations that have better performance tend to be more satisfied because they feel appreciated and have opportunities to develop and work in a healthy environment. Based on Mosadeghrad (2014) and Varshney & Varshney (2025), two factors influence job satisfaction, namely intrinsic factors and extrinsic factors. Extrinsic factors are related to organizational policies, working conditions, and work relationships, while intrinsic factors are related to motivators, including the growth of organizational performance. Organizations that have good performance will provide room for growth, achievement, and recognition of their employees' performance. In organizations that have good performance (effective management and a positive work culture), employees will be more motivated and satisfied with their jobs. These results are following a study conducted by Launer & Çetin (2025), whose findings stated that good organizational performance is positively related to employee job satisfaction, especially if they have the opportunity to contribute to decision-making. This study, in line with the third finding, shows that of the three variations of decision style, only the dependent decision style affects employee satisfaction through organizational performance.

The findings answer the purpose of this study. The findings can identify and measure effective organizational strategies that can improve employee welfare and job satisfaction. Furthermore, in Islamic cooperation, the role of *maqasid sharia* is seen to be embedded in strategic management to improve employee satisfaction. Meanwhile, the role of organizational performance is vital in mediating the relationship between decision-making style and improving satisfaction. By understanding this relationship, this study can provide insight for organizational leaders, especially Islamic corporations, in developing more effective policies and involving stakeholders in decision-making to improve employee performance and welfare.

Conclusion

This study's objective is on strategic management and employee satisfaction in Islamic cooperatives. Strategic management indirectly influences employee satisfaction through organizational performance, as organizations must continuously adapt their capabilities

to remain competitive. Organizations that maximize agility in improving company performance create trust and conditions that allow employees to adapt, increasing satisfaction and maintaining organizational sustainability. In Islamic cooperatives, strategic management is influenced by maqasid sharia, which is the basis of a person's life goals and organizations based on Islamic principles.

Organizational performance directly affects employee satisfaction, as employees feel appreciated and have opportunities to develop in a healthy environment. Organizations with good performance provide room for growth, achievement, and recognition of employee performance. Employee satisfaction is also enhanced by effective management and a positive work environment. Understanding this link can help organizational leaders, particularly Islamic organizations, build more effective policies and engage stakeholders in decision-making to increase employee performance and welfare. To complete this study, further studies might be undertaken by testing based on customers' perceptions of Sharia cooperatives. Additionally, this study suggests that regulators and Islamic finance authorities in the Islamic finance sector create guidelines that promote the incorporation of strategic management practices following maqashid sharia principles. Regulators and Islamic finance authorities can help Islamic cooperatives operate efficiently and in line with Islamic values by setting clear rules for ethical decision-making and strategic planning. This will build trust and help the cooperatives last for a long time.

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Appendix 1

No	Constructs Variable	Indicator/Question	Code	Reference
Dependent Variable				
1	Employee Satisfaction	How satisfied are you with your current job?	ES_01	(Varshney & Varshney, 2025; Yadav & Rangnekar, 2015)
		Do you feel that your work is appreciated by your superiors or coworkers?	ES_02	
		Is communication between the team and management effective?	ES_04	
		How clearly are the organization's goals and priorities communicated to you?	ES_05	
Independent Variables				
2	Organizational Performance	Do you feel that the work processes in this organization are efficient?	OP_01	(Amar et al., 2025; Goyal et al., 2024)
		Do you have enough resources to get your work done?	OP_02	
		How well does this organization support work-life balance?	OP_03	
		Do you feel that the work environment supports collaboration and innovation?	OP_04	
3	Maqashid Sharia	Are your cooperative products and services in accordance with sharia principles?	MS_01	(Amar et al., 2025; Taufik et al., 2023)
		Does your cooperative provide education to members about Islamic economic principles?	MS_02	
		How do you feel about sharia transparency in cooperative operations?	MS_03	
		How big is the role of the cooperative in improving the welfare of members and employees?	MS_04	
		Does the cooperative provide support for the physical and mental health of members through its various programs?	MS_05	
		Does the cooperative provide financial training or education for members and employees?	MS_06	
		How does the cooperative help members understand sharia principles in finance?	MS_07	
		How fair is the distribution of business profits in this sharia cooperative in your opinion?	MS_08	
		Does the cooperative have programs that support the welfare of members' and employees' families?	MS_09	
		Does the sharia cooperative promote Islamic values that support the harmony of members'/employees' families?	MS_10	

No	Constructs Variable	Indicator/Question	Code	Reference
		In your opinion, how big is this cooperative's role in realizing the values of maqashid sharia?	MS_11	
4	Strategic Management	Strategy to reduce costs (cost reductions)	SO_1	(Amar et al., 2025; Beccalli et al., 2023; Mosadeghrad, 2014)
		Strategy to provide outstanding customer service (customer service oriented)	SO_2	
		Strategy to increase operational efficiency (efficiency)	SO_3	
		Strategy to improve product/service quality (quality improvement)	SO_4	
		Strategy to increase strict supervision for frontline personnel who interact directly with consumers (frontline personnel branding)	SO_5	
		Strategy to develop brand/label identity strategies for sharia cooperatives (company branding)	SO_6	
		Strategy to segment market strategies or specific target market niches/special markets (specific market niche or segment)	SO_7	
		Strategy to provide specific products or services that are the advantages of the cooperative (specialty products/services)	SO_8	
5	Rational Decision-Making Style	I gather as much information as possible before making a decision (Rational-Style)	DS_01	(Amar et al., 2025; Goyalet al., 2024; Launer & Çetin, 2025; Scott & Bruce, 1995)
		I carefully evaluate the pros and cons of each option (Rational-Style)	DS_02	
		I rely heavily on logic and analysis to make decisions (Rational-Style)	DS_03	
		I prefer decisions that are supported by data and evidence (Rational-Style)	DS_04	
		I always double-check the facts before making a final decision (Rational-Style)	DS_05	
6	Intuitive Decision-Making Style	I trust my intuition and gut feeling when making decisions (Intuitive-Style)	DS_06	(Amar et al., 2025; Goyalet al., 2024; Launer & Çetin, 2025; Scott & Bruce, 1995)
		I rely on past experience to make decisions (Intuitive-Style)	DS_07	
		I often know the right decision without needing detailed analysis (Intuitive-Style)	DS_08	
		I make decisions based on what feels right at the moment (Intuitive-Style)	DS_09	
		I value instinct over detailed information when time is limited (Intuitive-Style)	DS_10	
	Rational Decision-Making Style	I seek advice and opinions before making decisions (Dependent-Style)	DS_11	(Amar et al., 2025; Goyalet al., 2024; Launer & Çetin, 2025; Scott & Bruce, 1995)
		I prefer consulting with experts or trusted coworkers as a guide to decision making (Dependent-Style)	DS_12	
		I am more confident in my decisions when supported by others (Dependent-Style)	DS_13	
		I avoid making decisions alone when possible (Dependent-Style)	DS_14	