Fostering work engagement via Islamic work ethic and quality of work-life: The mediating role of psychological capital

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ABSTRACT

In the modern economy of industry organization 4.0, the lack of employee engagement among multigenerational employees is one of the concerns for most employers. The issue is mostly about ethical misconduct and quality of work in the workplace whereby there is a need to stimulate discussion further through psychological capital. The objective and purpose of this study are to expand the literature and framework on employee engagement by examining the role of IWE and QWL, and the factors that would enhance the needs of employee engagement through psychological mediators. The current study suggests that psychological capital mediates the relationship between IWE, QWL, and employee engagement as the organizational approach needs to be broader in approaching the new framework according to the passage of time. Therefore, the presented model will be proposed to the private sectors based on the need as the key main industry in Malaysia. The importance of employee engagement is to develop the economic sustainability of the country while at the same time reducing the cost of retention among new generation employees.

1. Introduction

Recently, many organizations in several organization industries are facing the issue of shifting work patterns involving young generations of employees (Indiparambil, 2019). In the turn of the new era in workforce, it has been widely researched that human negative ethics and lack of work quality represent only a quarter of the already identified psychological aspects of work cognitions, behavior, and emotions which are dominant and require study (Valentine & Godkin, 2019). This highlights the important aspect of employee engagement that needs to be emphasized as part of the psychological benchmark and economic driver of an organization (Osborne & Hammoud, 2017).

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The survival of an industry organization depends on maximized profits from existing capabilities, as well as the recognition and adaptation to the context that the existing management of young generation such as Gen Y and Gen Z that functions today may not necessarily function in the future (Younas & Waseem Bari, 2020). Thus, to make or maintain the organizational profits, every organization must work hard to engage employees.

Organizations, however, sometimes find it difficult to adapt to the behavior of the younger generation in response to change if they limit their focus to existing products and processes (Weerasinghe, 2020). Understanding how to manage employee engagement in terms of employee quality of work life (QWL), the adoption of an Islamic work ethic (IWE), and the maximization of short and long-term profits is essential to leading a nation's economic emergence in ensuring a viable future for sustainable organizations (Nwachukwu et al., 2021).

Good work ethic and quality of work life in Gen-Y and Gen-Z employees is important to be developed as it helps to enhance and contribute to human capital and productivity in organizations (Hui et al., 2021). However, producing effective and engaging young employees with good ethics in an organization is rather difficult. Hence, employee engagement has been proven to be a great strategy for industry organizations especially in Human Resource Development (HRD) (Lee & Eissenstat, 2018; Schuetz et al., 2021). Nevertheless, despite being widely discussed in many fields, especially in the fields of industrial psychology, development and organizational management, the subject of employee engagement still lacks empirical study (Kim & Hyun, 2017; Wood et al., 2020).

Employee engagement has attracted the attention of several studies and it has been defined as an important multidimensional motivational concept that indicates an individual's cognitive, emotional, physical energy, and high performance (Kuok & Taormina, 2017; Rich et al., 2010). Therefore, the focus on employee engagement is important today as it can improve the productivity and economic sustainability of an organization which has been proven through positive results of previous studies (Bakker & Albrecht, 2018). The gap in knowledge is limited to indicators of employee engagement in which positive setting represents high-energy and effective motivation that is with a high level of dedication and a strong focus on work (Schaufeli & De Witte, 2017). Besides, there are terms of trust and principles in rewarding ethical decisions whereby the principles are organizational relationships, values, and trust (Vu & Tran, 2021).

Accordingly, employee engagement will be more sturdy if there is a good work ethic which is one of the important research domains that has received scientific attention around the world (Blosser, 2019). In the concept development of this study, it is believed that religious values are the fundamental policies in developing one's ethics since most religious values strongly emphasize adherence to ethical codes and moral values (Sulaiman et al., 2021).

Previous studies have discussed and explained that work ethic can be influenced by religious beliefs and values (Malak & Hamas, 2021). Studies on the world's major religious values namely Buddhism, Christianity, Hinduism, and Islam found that extrinsic and intrinsic work values can be formed through individuals having religious belief and values (Minton et al., 2020).

With regard to the concept of IWE, it is the essence of work that has ethics by the value of Islamic teachings to individuals in daily work (Ali, 1988; Yousef, 2001). In relation to employee engagement, the applicability of IWE that is open to most professions and personalities within an organization is generally found to lack focus on Gen-Y and Gen-Z as the future dominating workforce (Nasution & Rafiki, 2020). Hence, it is this gap that has prompted the present study of IWE and employee engagement.

This study also suggests that the limitations of previous research are used as an opportunity to collect data from Gen-Y and Gen-Z who not only profess one religion but other religions as well, where some components of the IWE can be followed by other religions such as working hard to fulfill responsibilities (Qasim et al., 2021). This is because IWE emphasizes more on the importance of sincere conscience than in determining outcomes and activities that are considered unethical and which benefits are considered illegal (Al-Douri et al., 2020).

Besides that, the indicator for QWL can provide a solution in this study in which it presents many important variables that can assist in improving employee engagement among Gen-Y and Gen-Z employees (Hakanen et al., 2021). Therefore, QWL is considered as a support for strategic workplace arrangement

that increases job satisfaction and elevates working condition for employees (Qamari et al., 2020). Other than that, QWL assists employers in their efforts to improve in achieving a higher level of organizational effectiveness (Ko, 2019).

It is clear from past studies that QWL initiatives can help increase employees' self-esteem and job satisfactions that motivate employees to provide better services, and thus, increases customer satisfactions (Fernandes et al., 2017). In addition, QWL programs can improve job performance and quality of life among employees (Nauman et al., 2021). In fact, some scholars associate QWL with both organizational and individual competencies (Aruldoss et al., 2021). However, poor QWL levels are found to lead to job dissatisfaction, increased absenteeism, decreased morale, low morale, increased accident rates, and poor productivity, which therefore results in poor organizational performance (Agus & Selvaraj, 2020).

According to past studies, QWL is indispensable for organizational accomplishment and competitive advantage (Daud, 2010). In this study, QWL is regarded as being efficient. This study assumes that organizations can retain well-engaged employees who fully dedicate their efforts to achieving their organizational goals to the extent that due attention is given to issues such as wages and compensation, working conditions, employee capacity development, growth and safety, socialization techniques, constitution, work and personal life balance, and the social relevance of work life (Agus & Selvaraj, 2020).

The interest of this study focuses on proposing a link between IWE, QWL and employee engagement that is not limited to Gen-Y and Gen-Z Muslim employees but includes non-Muslim employees who can assist directly and indirectly in building precious data where IWE is different and unique from other conventional work ethic and hence, can merge into any work life strategies (Qasim et al., 2021). Conferring to scholars who study ethics and quality of work, they summarized the aspects of work ethics and quality of work into three important factors in making ethical decisions namely moral philosophy, organizational relationships and values, and opportunity (Valentine & Godkin, 2019).

Apart from that, personal capital in the form of cognition has been identified in fostering employee engagement in the workplace where there are many resources available in the workplace which may involve employees (Schaufeli & De Witte, 2017). Past studies have illustrated the ability of psychological capital (PsyCap) in reflecting optimistic attitudes of individuals' working style in organizations (Fontes & Russo, 2021).

PsyCap has the key characteristics related to resilience from an individual's self-aspect in general (Contreras et al., 2020). Despite many interesting past studies, this study merges the idea of using PsyCap as one of the variables that represents self-efficacy (self-confidence in facing challenges), hope (the support gained reciprocally directed toward goals), optimism (the positive emotions related to output), and resilience (the quality in overcoming failure during conflict while at the same time seeking positive change) (Nwanzu & Babalola, 2019; Youssef & Luthans, 2007). Therefore, PsyCap is considered as an individual psychological resource where an employee's positive aura can be the driving force for emotional and cognitive levels in employee engagement despite the many challenging work demands that require precision and absorption (Bakker & Demerouti, 2017). Besides, resilience in PsyCap can positively overcome failure during conflict while motivating ones to try their best in finding good and positive change (Kotzé & Nel, 2019).

In this study, it is proposed that the issue of employee engagement among young generations of Gen-Y and Gen-Z can potentially be overcome through IWE, QWL and the mediating effects of PsyCap in order to develop Malaysian's economy further since these young generations may likely dominate every organization in most industries spanning from 2020 to 2030.

Figure. 1. The Global Employee Engagement Trend (Source: Qualtrics Employee XM, 2020/2021)
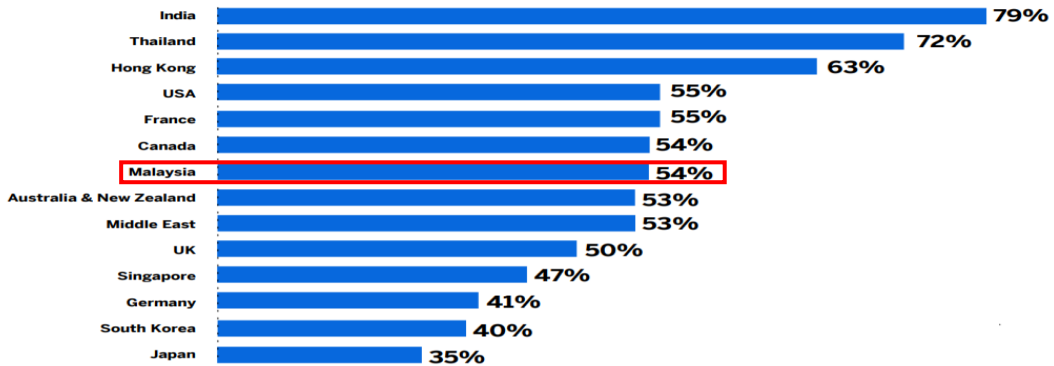
2.   Significance of study

2.1 Policy

This study highlights the concerns over the present engagement policy with regard to delinquent behaviors among young employees in most organizations. In tandem with the significance of Key Economic Growth Areas (KEGA), Malaysia needs effective and productive Gen-Y and Gen-Z employees to support emerging economy based on quality workforce in order to achieve the Malaysian Shared Prosperity Vision 2030.

2.2 Human Resource Management

Good work ethic for employee engagement among young generations needs to be exposed by organizations for work motivation in order to develop healthy work environment. As discussed earlier, employee engagement has long been proven to be an essential factor in improving job performance, task performance, and productivity (Hakanen et al., 2021).

Therefore, this study contributes two reliable measures that could facilitate future researchers in conducting further studies in multiple sectors. The results can be used by human resource practitioners to improve employee engagement level especially among young generations. As pointed out, young employees have distinct workplace needs and motivating factors when compared to other senior employees. Nonetheless, senior employees must also renew their motivation to continue to lead the future generations.

2.3 Organization

Organizations that provide a fun environment, as well as opportunities for diversity, along with highly ethical employees and are able to maintain a high level of motivation, will continue to thrive in healthy competitions in the coming economy. In particular, these organizations are most likely able to maintain a positive sense of loyalty and ethics among employees as they have prior exposure to practical methods in shaping the best employees' personalities in their organizations. These methods may help employees develop a sense of engagement and enthusiasm for their work that will improve the internal and external performance of the organization. Therefore, members of the management and departments involved need to strive to understand the motivations and ethical priorities of their employees in order to develop the internal performance of the organization first before driving the national economy.

3.   Literature review

3.1 Employee engagement

Employee engagement is considered very important in Human Resource Development (HRD) as a key term for many organization industries (Lee & Eissenstat, 2018). This substance is also widely discussed in many fields especially in the fields of industrial psychology, development, and organizational management (Wood et al., 2020).

Employee engagement has been defined as an important multidimensional motivational concept that indicates an individual's cognition, emotions, physical energy, and high performance (Kuok & Taormina, 2017). Therefore, the focus on work engagement is important nowadays because it can improve the quality of sustainability of an organization which has been proven in previous studies through positive results (Bakker & Albrecht, 2018).

The elements of work engagement referred to in a positive setting are high-energy effective motivation combined with a high level of dedication and a strong focus on work (Schaufeli & De Witte, 2017). Employee engagement will be effective if there is a good work ethic and great work life which is considered to be the important research domain that has received scientific attention around the world (Blosser, 2019).

3.2 Islamic work ethic

The concept of IWE is based on the values of the Quran where the words and deeds of the Prophet Muhammad SAW are referred to whereby it is very important that an individual acts ethically not only in his or her personal life, but also in the workplace. In the words of Prophet Muhammad SAW, "There is no food for a person better than what he eats from the fruit of his own hands." (Al-Bukhari, 1978).

Prophet Muhammad S.A.W is known to be very ethical in carrying out work and encouraging others to do the same. Accordingly, good ethics should be present in the work engagement of employees as an important element in determining the success of an organization especially in the long run (Alam et al., 2021).

According to previous scholars, employee behavior through work ethic may change as assessed which reflects the extent of work engagement of individuals within the organization (Farid et al., 2019). Besides, vigor is an important predictor of enthusiasm in shaping good ethics in organizations especially when it may have influences over one individual to another.

From the point of view of academics, the ethnography in work engagement is considered to be the main area that contributes considerably in academic research on employee engagement (Graham et al., 2021). Recently, research on individual ethics in organizations and work engagement has seen an increase in interest in such studies where conditions of ethical misconduct in work and work engagement procedures are important in shaping and predicting organizational success over time (Mohammed et al., 2020).

According to Gouldner (1960), employee decisions are based on their contributions where fairness in distribution is practiced such as decisions are determined based on fair procedures, and employee communication is according to honesty with respect and courtesy towards them. In such cases, the likelihood of reciprocating with action is high because of the sense of responsibility in reciprocating kindness. Therefore, the effects of fairness in interactions are significant on employee work engagement (Hughes et al., 2019).

Additionally, Blau's (1968) reciprocal action is based on the social exchange theory that determines that one of the ways for employees to respond and contribute to the organization is to continue to be involved in work. In line with the perception of Islamic work ethic and work engagement, this study expects a positive relationship between the two perceptions by examining this relationship in the context of Malaysian culture where Islam is dominant and other religions are a minority.

The perception of IWE centers around working hard, achieving goals with dedication, and helping each other in performing tasks efficiently. The IWE and work engagement are expected to be beneficial in the

long run, and employees having IWE will have a high ethical responsibility to support colleagues and the organization when needed (Bulut & Ouedraogo, 2021).

Based on Ali's (1988) thought, IWE actually can increase employee work engagement which is in line with previous scholars' statement that IWE is the nature of dedication in the workplace, in a state of enthusiastic individuals and has the nature of helping other employees to continue working. Islamic teachings are complete by providing methods to employees on work ethics and upholding work-related principles (Saban et al., 2020). The aspects of IWE can be directly or indirectly related to influencing work engagement.

3.3 Quality of work life

Historically, many publications have mentioned and evaluated the quality of work-life (QWL) as a multi-dimensional model of influencing factor as it is broadly used according to employee situations in terms of organizational, workers behavioral, and individuals' performance variables (Aruldoss et al., 2021). In Worley's (1997) paper, QWL was identified and generally defined as concerning the effectiveness of the organization, employee's well-being, and thorough thought of the person, work, and organization.

In general, QWL is achieved through humanizing work, while the basic needs require more which has encouraged employees to improve their quality of work (Malik et al., 2020). In relation to the needs of employees, QWL have been studied as motivating tools and job enrichment path in relation to significant variables of career achievement, career balance, and career satisfaction (Davoodi et al., 2020).

This is parallel with empirical studies on the role of QWL that is linked to the concept of employee-organizational loyalty, which motivated employees and promoted the best employee performance in the organization to increase their commitment (Park et al., 2019). Along with the request for further research related to QWL to identify the significant aspect of employment, this study takes the approach of studying the closest aspect that is the work engagement scope (Sahni, 2019).

Several studies have agreed on the idea that QWL influences employees "in terms of organizational identification, job satisfaction, employee engagement, work effort, job performance, and intention to exit, turnover and organizational segregation" (Aruldoss et al., 2021). Therefore, this study recognizes that accepting the concept of employee engagement is essential to organizational success, and it becomes important for organizations today to develop enhanced strategies to nurture well-engaged employees (Setyaningrum & Pawar, 2020).

To support this idea, this study has identified six elements of working life that lead either to fatigue or involvement based on Qamari et al. (2020) which include: "workload", "reward and recognition", "community and social support", "perceived justice", "choice and control", and "meaning and value of work". These elements are the core constituent variables of QWL. Therefore, this study assumes that an increase in employee QWL can significantly predict employee engagement.

3.4 Psychological capital

Many studies have been described the psychological capital (PsyCap), also known as personal resources, to be capable in fostering engagement in the workplace whereby the more resources available in the workplace, the greater the probability that employees will be involved (Luthans & Youssef-Morgan, 2017).

Past studies has defined PsyCap as mostly related to the reflection of employees' optimistic attitudes towards individual life and work in the organization (Song et al., 2021). Thus, the main nature of PsyCap has to do with resilience from the aspects of the individual self in general (Donaldson et al., 2021).

The application of PsyCap concept is often used in investment-related fields, sociology, and economics with an emphasis on individual psychological resources as well as motivational tendencies (Giraldez-Hayes, 2021). Interesting past studies have used PsyCap as a mediator that has a four-element structure that supports work engagement behaviors that contain: 1) self-efficacy, the self-confidence to face challenges; 2) hope, the goal-directed reciprocal support; 3) optimism, the positive emotion related to output; and 4)

resilience, the quality in overcoming failure during conflict and at the same time seeking positive change (Luthans & Youssef-Morgan, 2017).

PsyCap can also be considered as an important psychological resource in driving positive ethics towards employees which can foster a stable level of emotional and cognitive engagement in challenging work and work that requires precision and absorption (Alessandri et al., 2018).

A new approach needs to be taken in this study as there are indications that PsyCap and Islamic work ethic can be conceptualized and enhanced through work engagement that has the potential to generate a competitive advantage and also increase organizational revenue. This can enable organizations to leverage the psychological conditions of employee engagement and work ethic effectively for the benefit of both organizations and individuals especially employees in the 21st century who are the focus of the current workforce (Bhardwaj et al., 2020).

3.5 Generation in the organization: Gen-Y and Gen-Z

Industry organizations are becoming increasingly dynamic as senior members of the workforce approach retirement, while the younger members start their careers (Chen & Fellenz, 2020). This is because the older generational cohort worked during an era when people usually had a job for life, which certainly is not the case nowadays (Satpathy et al., 2019). Industry and organization should therefore be aware of the needs, wants and work preferences of different generations by undertaking comparative benchmarking studies across these generations (Dorie & Loranger, 2022).

Strauss and Howe (1991) have defined a generation as "the aggregate of all people born over a span of roughly twenty years or about the length of one phase of life: childhood, young adulthood, midlife, and old age." So, a generation is a group sharing an "age location in history", such that they face key historical events and social trends during the same period of life (Weerasinghe, 2020).

Each generation that experiences the same events within the same time span, have similar values and world views, share the same cultural, political and economic experience, is called a generational cohort (Ivanova et al., 2019). The previous generational cohort who are still in the workplace today is the baby boomer generation, being those who were born between the years 1946 and 1964, but they are nearing retirement age, and some have already left the workforce (Satpathy et al., 2019).

The generation following the baby-boomers is called Gen-X, being born between 1965 and 1980 and who generally prospered in their careers are also waiting for the time to pass over their working experiences (Jones et al., 2018). The next generation, those born between 1981 and 2000, is known as the Gen-Y (Younas & Waseem Bari, 2020). The new generation in the workforce that is also called echo Gen-Y is Gen Z, being born after 2001 (Dimock, 2019).

This is the group who has already or is about to start their careers, depending on their year of birth. Members of Gen-X, Gen-Y and the Gen-Z have been exposed to different historical, economic and social events than older cohorts and therefore have different characteristics and expectations (Ivanova et al., 2019). It is argued that members of the Gen-Y are different from preceding groups both as employees and as consumers (Hookway & Woodman, 2021; Ozcelik, 2015).

That is, this generation possesses distinctive characteristics with respect to their expectations from the employment experience with regards to learning requirements, attitudes to career and self-development, work orientation, and engagement (Park & Park, 2018). In particular, it has been observed that with its recent entrance into the workforce, employee turnover rates have become higher than before (Jirasevijinda, 2018).

Table 1. The impression of previous studies to develop the framework.

Authors	Focus	Themes	Limitation
Qasim et al., 2021	Impact of IWE toward task performance on service sector.	Task performance as latent variable. IWE as indicator, PsyCap as mediator, Ethical leadership as moderator.	Single-source data, sample collecting. Limited to Pakistan geographical study. Lack of QWL indicator. Lack of generation context.
Nguyen & Pham, 2020	The factor affecting employee engagement on the non-profit organization sector.	Employee engagement as latent variable. Leadership, Work design, Learning and development, recognition, and Work-life balance as indicators.	Lack of mediator such as PsyCap to support study. Lack of QWL as indicator. Lack of generation context. Limited to Vietnam geographical study. Lack of ethical indicator.
Bharata, Kurniani & Prasetya, 2021	The influence QWL, organizational culture and job demand toward head office employees.	Employee engagement as latent variable. QWL, Organizational culture, and Job demand as indicators.	Lack of mediator and moderating to support indirect effect. Lack of ethical proven influencing. Limited on Indonesia geographical study. Lack of generational management.

(Source: Author's compilation)

3.6 Social exchange theory

Based on the study by Cropanzano & Mitchell (2005), the formation of social exchange theory (SET), a broad conceptual paradigm that encompasses several social sciences, such as management, social psychology, and anthropology, were originally not theories but better understood as families of conceptual models. However, this concept is considered as a theory of social exchange when it involves a series of sequential transactions between two or more parties from all past social lives (Kangas, 2020). Accordingly, by going through a reciprocal process, there is an exchange of resources in which one party tends to feel responsible by retaliating for good, and sometimes bad, deeds by the other (Whitham, 2021).

Meanwhile, Blau (1964) states that the relationship between actor and target is sometimes influenced by the quality of the exchange. Thus, the SET approach remains a practical and useful theoretical framework that can accommodate modern workplace conditions, with employee characteristics influencing whether work relationships are developed and maintained (Porter, 2018).

Some researchers have agreed and suggested for the expansion of the boundaries of SET where organizations need to carefully consider changes in workplace conditions and employee characteristics when implementing SET principles as identified by some researchers in order to develop high-quality social exchanges in work relationships (Buhusayen et al., 2021).

Table 2. Summary of SET to support the framework

References	Year	Characteristics
Levinson	1965	A request for return will lead to beneficial results to both parties no matter who gain the preferential treatment.
Eisenberger et al.	1986	High levels of perceived organizational support create obligations within individuals to repay the organization, thereby demonstrating an attitude and behaviour conducive to the organization.
Masterson et al.	2000	One party expects a return in the future after contributing or providing services to the other party. At the same time, the party that gets something of value will produce a sense of responsibility to return the other party.
Saks	2006	Employees will choose to engage themselves to varying degrees and in response to the resources they receive from their organization.

(Source: Li & Chanchai, 2019)

3.7 Development of framework

In this study, the IWE would be exemplified in the day-to-day tasks of work in organizations by exhibiting high ethical behavior (Al Halbusi et al., 2021).

Employees who are influenced by the IWE will be expected to perform well in employee engagement. The direct and indirect effects of existing PsyCap will develop the framework better as employees receive motivation to behave positively from a variety of sources.

Yet, there are still limitations of research on the employee engagement in terms of the boundary condition between IWE, QWL and the emotional capital of employees such as PsyCap in particular.

This study conceptually suggests that employee engagement with the influence of IWE and any work life indicator such as QWL transformation will further generate positive outcomes for engagement levels by using better PsyCap (Qasim et al., 2021). The proposed model of the employee engagement will be develop as presented in figure 2:
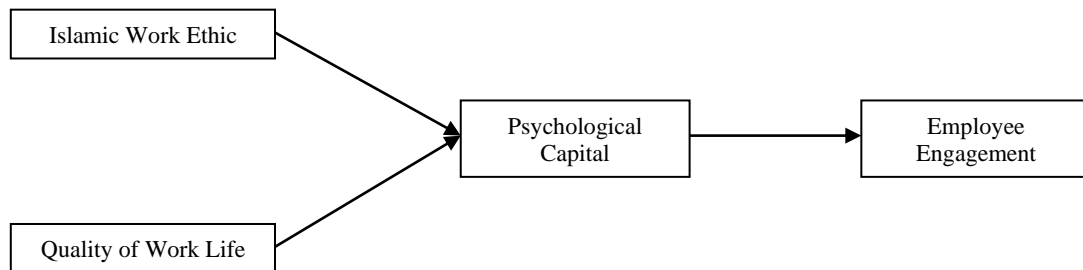

Figure 2 Framework of Study (Source: Author's own work)

4. Methodology

Research requires a detailed work that demonstrates the conduct of research by applying several methodological measures such as research purposes, research types, research resolutions, research time horizons, analytical units and so on. Therefore, this study adopts a two-analysis method by using SPSS for coding data and descriptive analysis. The core analysis will be conducted using smartPLS PLS-SEM to test the reliability, validity, and structural assessment of the model.

To obtain data for analysis and understanding of the sample, this study proposes a quantitative research design through the distribution of self-questionnaire survey, previously defined as a systematic

investigation of phenomena by collecting measurable mathematical data and implementing statistical techniques.

It is important to explain the nature of this design as it is a master plan and framework of researchers in arranging special methods and procedures to facilitate data collection and analysis from a selected population in order to solve problem statements related to the study conducted. Hence, this study has selected this design for the reason that it requires the study to achieve the objectives through detailed investigation whereby the expected results from this research method are considered logical, statistical, and unbiased. Accordingly, data collection can be done using a structured method and carried out on a larger sample that is representative of the entire population.

4.1 Study context

The data in this study was tested using the data collected from key stakeholder organizations in the local state. The organizations selected were based on their unique contexts related to the presence of Gen-Y and Gen-Z employees as proposed in this study. In Malaysia, working in the private sector is generally considered to be less desirable. This is because entering the private sectors commonly requires one to possess competitive advantages for employee sustainability and employees commonly intend to leave and seek for better opportunities elsewhere. In addition, the Malaysian Labor Law has stated that the remuneration for private servants is set at a minimum rate of RM1100-RM1200 per month and the lifelong career paths available for private sector servants are usually shortened, which is often not the case for public sector employees in Malaysia. Moreover, in recent decades, the Malaysian private sectors have continued to pursue performance-oriented reforms including the implementation of the experience-based ranking salary system.

Due to the pressure to improve performance, many private sectors that collaborated with the local governments have struggled to increase their administrative capacity and management efficiency. They have also faced "reform fatigue" among the private servants. Based on a survey data from private servants working in local private organizations throughout Malaysia, the study shows that there is a high probability for private servants to express a desire to exit the private workforce especially among the Gen-Y and Gen-Z.

In other words, recent organizational changes and new environments may have resulted in hardship for organizations and their employees (Kowalski & Loretto, 2017). Since employee well-being is important to individual health and organizational outcomes, it is necessary to consider HRM research and practice, in addition to performance, to improve employee well-being (Guest, 2017). Thus, the Malaysian private sector represents an appropriate context for testing a good work engagement model.

4.2 Participants

The participants of this study were employees at seven selected organizations in which three organizations are located in Perlis as listed in Table 2. The total number of population was 8473 employees with an estimated total population of Gen-Y and Gen-Z at 4231.

Hence, simple random sampling was used to determine the sample size of Gen-Y and Gen-Z by an estimated of 10 percent of total population in each selected organization. Thus, the sample size will be appropriated at 214 employees. With 214 respondents as the samples for this study, the number is sufficient and acceptable that it complies with the requirement for research that needs more than 100 samples (Hair et al., 2020).

Table 2. Selected organizations and sample size

No.	List of Organizations	N	Sample size
1	Shorubber (Malaysia) Sdn Bhd	2,000	100
2	Cement Industries of Malaysia Berhad	761	39
3	Kilang Gula Felda Perlis Sdn Berhad	600	30
4	Mediquip Sdn Bhd	300	15
5	Masfloor Sdn Berhad	200	10
6	HPA Industries Sdn Bhd	200	10
7	Water Dragon Fishing Net Industry Sdn Bhd	170	10
	Total	4231	214

(Source: Perlis economy development strategic plan 2012-2030)

5. Future Implication

For future implications, this study has contributed some important points in the form of current knowledge (Clarke, 2021). Firstly, this study provides a breadth of literature by examining the indicators of effective employee engagement and their role among different generations such as Gen-Y and Gen-Z with an emphasis on the ethical and quality of work in daily work. The literature on employee engagement involving the younger generations offers further expansion through the conceptualization and analysis of empirical research.

Secondly, the most interesting concept in this study is the role of PsyCap as a very important mediator which was developed over time due to the differences found in other studies. Work psychology is leveraged from SET in the current study by investigating it as a fusion of employee ethics and psychology. Thus, this concept adds on to the limited literature available on antecedents and consequences of employee engagement through ethics and quality of work.

Thirdly, IWE and QWL have their influences in developing employee conditions to be more positive whereas PsyCap changes the horizon of the development of positive attitudes and behaviors through a code of ethics and level of employee engagement.

Finally, this study will further enhance the contribution of current research theory where existing theories can act as grounds in work ethic and positive employee behavior in the workplace, so that ethical misconduct in the workplace can be reduced or eliminated.

5.1 Implication on practice

This study will have some implications for practitioners in terms of the development of ethical reformation, high quality of working life, and high psychological control among employees which can be practiced in a sustainable competitive organization. In cultivating ethical employees and fostering positive employee attitudes, organizations need to focus on recruiting new employees especially the younger generations for different job positions with a sustainable code of ethics.

Organizations should also view the conceptualization of this study as an opportunity to increase the level of employee PsyCap by inculcating Islamic work ethic among employees in various sectors. This can be implemented and applied during trainings, workshops, and awareness seminars that focus on the component of work engagement with an Islamic work ethic which will benefit the organizations and employees.

In short, increasing the level of PsyCap with the help of awareness training of ethical work involvement, particularly on ethics through the example of Islamic work ethic, can help and build the way employees deal with complex situations (Narsa & Wijayanti, 2021).

6. Conclusions

In general, there is a high emphasis on the level of mental stabilization and quality efficiency for effective work performance in producing the best and adequate supply of quality workers in Malaysia. This is to ensure that the ethical level of employee involvement achieves its objectives whereby each employer is provided with good quality employees to help the organization generate income and further improve the local economy.

At the same time, organizations that have skilled workers are important because they can be an asset to Malaysia to become a developed country by 2030. But it is not enough because the application of good ethics in the work of a person or employee can also be a very important asset. After all, it helps improve the delivery of the mission and vision of the organization.

Therefore, the Ministry of Human Resources, together with relevant agencies are expected to forge new sustainable strategies with a specific role in greening human resource development with green ethics in ensuring employee involvement, in line with meeting the needs of society and the nation that is built with advanced economic development in the future.

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Conflict of interest statement

The authors agree that this research was conducted in the absence of any self-benefits, commercial or financial conflicts and declare the absence of conflicting interests with the funders.

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