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STRENGTHENING LEADERSHIP AND ISLAMIC WORK ETHICS THROUGH EMPLOYEE CHARACTERISTICS IN IMPROVING THE FUNCTION OF RISK MANAGEMENT IN BANK SUMUT SYARIAH

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ABSTRACT
Purpose: *The aim of this research is to examine and analyze the influence of leadership and Islamic Work Ethics through employee characteristics in improving the risk management function.*
Design/methodology: *The population in the study used a purposive sampling method, consisting of 190 employees and all of them were used as the research sample. Of this number, 130 were research respondents. The analysis method used is SEM-PLS.*
Findings: *Research findings show that Leadership influences Risk Management, Leadership mediated by Length of Work influences Risk Management, Islamic Work Ethic influences Risk Management, Islamic Work Ethic mediated by Length of Work influences Risk Management. This research recommends that leaders must be able to transform and invite employees to combine work for the good of this world and the hereafter.*
Practical implications: T*he Management of Bank Sumut Syariah (BSS) needs to implement Islamic Work Ethics (IWE) for its employees and implement more deeply factors such as justice, work is worship and achieving halal income.. Furthermore, the company organization has carried out Risk Management Certification (SMR) for its serving leaders. However, apart from SMR, BSS needs to consider implementing the ISO 31000 program regarding Risk Management, so that the risk management*
Originality/Value: *The contribution of this research is that the emphasis on the element of religiosity in work is very necessary, because the foundation of Islamic Work Ethics is stronger than leadership.*
Keywors: *Leadership;, Islamic Work Ethics; Employee Characteristics; Risk Management*

A. INTRODUCTION

In essence, humans want to achieve happiness and safety in worldly life. A life that is peaceful and well-ordered and has a pleasant psychological state, also free from undesirable things. This is in accordance with Al Ghazali's concept of happiness, namely a comprehensive world view from an Islamic perspective and specifically shows that religious beliefs are human guidance. In an effort to achieve this happiness, there are many tests and risks that must be faced. Each organization will face different risks. Moreover, the challenges of Islamic banks seem to be more severe than conventional banks (Hartini & Asnaini, 2024). Risk management is an important element in various business activities. Moreover, business and banking transactions are inherently risky. In bank organizations, risk assessments are carried out by the Risk Management Committee (KMR) which will determine a list of financing industries that are avoided and selected for financing. In addition to establishing a risk committee, each work unit leader is provided with an SMR (Risk Management Certification) which is carried out by the Risk Management Certification Agency (BSMR) based on the grade of each employee (Ali, 2015).

However, on an organizational scale, BSS has not adopted organizational work standards such as the International Standard Organization (ISO), both ISO 31000-2018 regarding risk management, and ISO 37301-2019 regarding Compliance. In fact, international scale work standards have begun to be implemented by banks in Indonesia such as Bank Mandiri, BSI and various other companies such as Waskita Karya, Jiwasraya Insurance. Work culture values corporate work values are also presented to all employees, namely (Trusted, Energetic, Honest, Friendly, Safe, Integrity and Commitment). This work culture is intended so that every employee has uniform work guidelines and creates harmonization between management and all elements that run the organization (Sangadji, 2013). However, even though risk management activities have been well organized through the formation of a risk committee, risk management certification and the publication of a work culture, BSS's business performance has not been optimal. Almost every work unit still shows declining financial data. Financing problems are quite high and profit achievement is low. Not to mention unscrupulous leaders who are the cause of problems or do not work according to the organization's expectations. Strong leadership is not yet visible in BSS, although several efforts have been made. It often happens that subordinates feel that the division of work has not been distributed well. Leadership is unfair and ignores many risks in work (Alshmemri et al., 2017).

Islam has taught work ethics which are summarized in Islamic Work Ethics. There are many good values contained in it. Some of them include honesty, discipline, working as a virtue/worship, earning a halal income and other values (Camp & Eberly, 2003). Everything is based on the Quran and Hadith which are the main guidance for Muslims. Apart from work culture, assessment of employee characteristics also needs to be considered in selecting leaders. Each person has individual characteristics that accompany their activities, such as gender, length of service, level of education, experience in conventional banking, and age, which will influence the mindset and leadership model in managing risk management. There are individuals who tend to avoid risk, and there are also those who are driven to seize various opportunities that involve risk (Mulyono et al., 2023). All of these characteristics will color a leader in facing the dynamics faced in handling risks. The author is interested in finding a model for strengthening leadership and Islamic Work Ethics through employee characteristics in order to improve the risk management function, so that the performance of sharia banking, especially Bank Sumut Syariah, will be achieved even better (Nelson, 2015).

In this research, there are several theories that are combined to analyze the relationship between several variables, namely Risk Management, Leadership, Islamic Work Ethic (IWE) and Employee Characteristics at Bank Sumut Syariah which are based on Prospect Theory, Transformational Leadership Theory, Islamic Work Ethic Theory and Theory 2 Factor- Herzberg. To examine risk-taking decisions, there is a theory that discusses two scientific disciplines simultaneously, namely psychology and economics (Bellucci et al., 2010). This theory is known as Prospect Theory which was developed by Daniel Kahneman and Amos Tversky in 1979. Prospect theory states that a person will be more willing to bear risks when they are at a loss or are in a bad situation. This causes when a person or organization is in potential high financial difficulties, they tend to be more aggressive and willing to take risks seekers and things that are uncertain. And conversely, organizations will tend to avoid risks aversion when they are making profits and are in good financial condition. However, in other research, there were also those who continued to invest even though they were in good condition without considering the risks (Dasril et al., 2023).

After the concept of transformational leadership was discovered by Mc Gregor Burn and continued with Robert House's charismatic leadership theory in 1976, Bass and Riggio developed the transformational leadership model (Hussain & Al-Ajmi, 2012). Better leaders choose the transformational model more often while less adequate leaders will be passive or more concentrate on corrective action. Meanwhile, Islamic Work Ethics (IWE) views work as a means to advance personal interests economically, socially and psychologically, to maintain social prestige and to advance the welfare of society and reaffirm belief/aqidah in the Almighty Creator. For employee characteristics, Herzberg's 2 Factor Theory explains that there are 2 factors that encourage people to work better, namely motivator factors and maintenance factors hygiene/maintenance. Motivators encourage job satisfaction and hygiene factors prevent job dissatisfaction (Brumagim et al., 2005).

B. LITERATURE REVIEW

Risk management is the main activity that will determine the success of an organization. For maximum achievement, all team members must participate and be involved in it. Of course, this must start from the top management of the organization, namely the leader. This is in accordance with other research results that an important component in implementing risk management is the leadership needed to create a culture of risk awareness, not in implementing individual strategic risk management mitigation plans, hedging, adapting, avoiding, and so on, but to provide transparency, Consistent communication and support is essential to creating a risk culture (Sari, 2024). Other research results found that ERM and participative leadership styles not only increased performance risk but positive interaction effects were also found. Each leader has a different style and pattern in managing risk aspects. Gender roles also determine the decisions that will be taken. Usually it will be a strengthening motivation, but it can also weaken it, depending on the gender of a leader (Arena & Arnaboldi, 2014). This is in line with the findings of (Putrini & Satrya, 2023), that female employees who work in banks are more risk averse or less self-confident than male employees, because they tend to limit credit, availability for new and unestablished borrowers, more, than male borrowers. -man. Leaders who have a long service life are usually more skilled and have sufficient control over the problems that occur within the organization. They can recognize internal situations better, compared to leaders who have a short tenure. The results showed that employees with less than two years of service had significantly higher overall leadership aspirations, as well as higher valence scores, than workers with more than two years of service.

The more varied the places we work, the wider our insight and perspective on risk management. The area of knowledge is increasing and will bring additional abilities, compared to others. Likewise, bank leaders who have various assignments will become more mature in handling certain activities. Increasing age will make leaders more mature in taking risks related to their field of work. As you get older, you will be wise and careful before making decisions However, a different opinion was expressed from the research results of Johanna, (2016), that age was found to be negatively related to competence leadership in managing risk. Humans have a hasty nature. This is in accordance with God's Word in QS Al-Anbiya 37. Islamic ethics teaches people to be more careful in handling risks so as not to fall into danger. The results of statistical analysis show that transformational and transactional leadership styles are positively related to managerial effectiveness. Islamic work ethics also mediates the relationship between transactional leadership and managerial effectiveness. Islamic work ethics are usually adhered to more firmly by female employees and leaders because they are more careful in their work compared to men. Usually women work a lot with their hearts, so they try to avoid problems. Based on these findings, the study shows that Muslim female workers have the knowledge and awareness to apply an Islamic work ethic by prioritizing Islamic values in the workplace (Rokhman, 2022).

Working for a long time will usually give rise to an attitude of gratitude and happiness for what is obtained, so that Islamic work ethics will be present when carrying out activities in the organization. The longer they work, the more careful employees will be in managing risks. The results of Aziz & Prabuwono, (2023), show that length of work experience has a real impact on sharia bank branches. In particular, experience has a significant influence on employees' responses to IWE, affective commitment and ongoing commitment to change. Islam teaches its people to continue to achieve knowledge and education. People with knowledge have a higher level because they are closer to truth and goodness. To be precise, the level of education has an important influence on employees' responses to IWE, affective, continuance commitment, and change leadership. Islamic work ethics expects every worker to have a lot of insight and knowledge that can be implemented in various fields of work. Bank employees who have complete experience in conventional banks and Islamic banks will be more appropriate in taking risks (Lestari, 2024). The universality of Islamic work ethics will encourage employees to follow existing regulations, both in conventional and sharia banks, so that employees who have implemented Islamic work ethics in conventional banks will find it easier to apply them in sharia banks. Risk management requires maturity in decision making. The higher the age, the better employees who are based on Islamic work ethics will be in managing risk management. Older employees' appreciation of IWE is much higher than that of younger employees. This shows that the older an employee is, the higher the respect for IWE (Nafi' et al., 2022).

C. METHOD

Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 3. PLS is a Structural Equation Modeling (SEM) solution method which in this case is better than other SEM techniques. SEM has a higher level of flexibility in research that connects theory and data, and is able to carry out path analysis with latent variables so it is often used by researchers who focus on social sciences. Partial Least Square (PLS is a fairly strong analysis method because it is not based on many assumptions. The data also does not have to have a multivariate normal distribution (indicators with categorical, ordinal, interval to ratio scales can be used in the same model), the sample does not have to be large. Partial Least Square (PLS) can not only confirm theory, but also explain whether or not there is a relationship between latent variables. Apart from that, PLS is also used to confirm theory, so that in prediction-based research PLS is more suitable for analyzing data to explain whether there is a relationship between latent variables. Partial Least Square (PLS) can simultaneously analyze constructs formed with reflexive and formative indicators. This cannot be done by covariance-based SEM because it will be an unidentified model (Chaidir & Aziz, 2022).

Choosing the Partial Least Square (PLS) method based on the consideration that in this research there are 4 latent variables formed with reflexive indicators and variables measured using a reflexive second order factor approach. The reflexive model assumes that the construct or latent variable influences the indicator, where the direction of the causal relationship is from the construct to the indicator or manifest so that confirmation is needed relationship between latent variables. The population in this research is all employees of Bank Sumut Syariah in North Sumatra, totaling 23 offices with details of 1 Head Office, 5 Branch Offices and 17 Sub-Branch Offices. The sample selection in this study used a purposive sampling technique. Purposive sampling is a sample selection technique based on certain considerations. The research sample consisted of all 192 employees and 130 people answered the questionnaire, who then became research respondents. The positions and titles of the respondents are Head of Department, Head of Branch, Head of Sub-Branch, Marketing Account Officer, Collection/Billing, Financing Admin, Risk Management, Auditor, Customer Service and Teller. As for data collection techniques, research techniques and instruments are used by distributing questionnaires (Hasbi, 2023).

In this research, the type of research chosen is quantitative research based on an associative and descriptive approach which aims to determine the relationship between two or more variables, as well as describing the relationship between the variables under study.

Tabel 1. Research Instrument Variables and Indicators

Variable	Operational Definition	Indicator	Scale
Risk Management (Y)	Structured and systematic process in identifying, measuring, mapping, developing risk management alternatives, and monitoring and controlling the implementation of risk management	Risks are everywhere (Y-1)	Likert
		Risk of balance of profit and loss (Y-2)	Likert
		Risk is a Combination of Danger and Opportunity (Y-3)	Likert
		The source of risk is different (Y-4)	Likert
		Risk can be measured (Y-5)	Likert
		Risk Determination comes first (Y-6)	Likert
		Risk treatment is the key to success (Y-7)	Likert
		The results of risk determination are worth more (Y-8)	Likert
		Risk management is everyone's part (Y-9)	Likert

		The best risks exist throughout the organization (Y-10)	Likert
Leadership (X1)	A process of one person's activities to move other people by leading, guiding, influencing other people to do something in order to achieve the expected results	Fair (X1-1)	Likert
		Sugestion (X1-2)	Likert
		Target achievement (X1-3)	Likert
		Creates a sense of security (X1-4)	Likert
		Organization Representative (X1-5)	Likert
		Source of Inspiration (X1-6)	Likert
		Value (X1-7)	Likert
		Understanding Subordinates (X1-8)	Likert
IslamicWork Ethic (X2)	A set of work-related Islamic principles and values that help believers to differentiate between good and bad work attitudes and behavior	Work is virtue (X2-1)	Likert
		Honesty (X2-2)	Likert
		Truthfulness (X2-3)	Likert
		Halal earning (X2-4)	Likert
		Isan (X2-5)	Likert
		Efficient (X2-6)	Likert
		Fullfilment (X2-7)	Likert
		Self Control (X2-8)	Likert
		Obedience(X2-9)	Likert
		Cooperation (X2-10)	Likert
		Discipline (X2-11)	Likert
		Dignity (X2-12)	Likert
		Justice (X2-13)	Likert
		Safety (X2-14)	Likert
		Right (X2-15)	Likert
		Authority (X2-16)	Likert
		Humanity (X2-17)	Likert
		Consultation (X2-18)	Likert
Employee Characteristic (Z)	Individual characteristics that differentiate one employee from another	Gender (Z-1)	Likert
		Length of Work (Z-2)	Likert
		Education (Z-3)	Likert
		Conventional Experience (Z-4)	Likert
		Age (Z-5)	Likert

Data source: Author, 2024

D. RESULT AND DISCUSSION

1. Descriptive Statistics

To determine how high or low the measurement results of each variable are, five categories are used, including: very high, high, medium, low and very low. So the highest value obtained is 5 and the lowest value is 1, then the following interval is obtained.

$$i = \frac{highest\ score - lowest\ score}{amount\ of\ categories} = \frac{5-1}{5} = 0{,}8$$

Table 2. Assessment of Research Variables

Category	Interval
Highest	4,2 ≤ x ≤ 5
High	3,4 ≤ x < 4,2
Standard	2,6 ≤ x < 3,4
Low	1,8 ≤ x < 2,6
Very low	1 ≤ x < 1,8

Data source: Author, 2024

The measurement of this research variable uses descriptive statistics with a total of 130 respondents where each variable is risk management, leadership and Islamic work ethics.

2. Description of Characteristic

Tabel 3 Description of Characteristic

Categori	Detail	Quantity/Person	Percentage (%)
Gender	Men	90	69,2
	Women	40	30,8
Length of Work	1-5 Years	15	11,5
	6-10 Years	37	28,5
	11-15 Years	45	34,6
	16-20 Years	30	23,1
	≥ 20 Years	3	2,3
Education	Diploma 3	13	10,0
	Bachelor (S1)	99	76,2
	Magister (S2)	18	13,8
	Doctor (S3)	0	-
Conventional Experience	Yes	70	53,8
	No	60	46,2
Age	21-30 Years	16	12,3
	31-35 Years	43	33,1
	36-40 Years	43	33,1
	41-45 Years	21	16,2
	46-50 Years	6	4,6
	≥ 50 Years	1	0,7

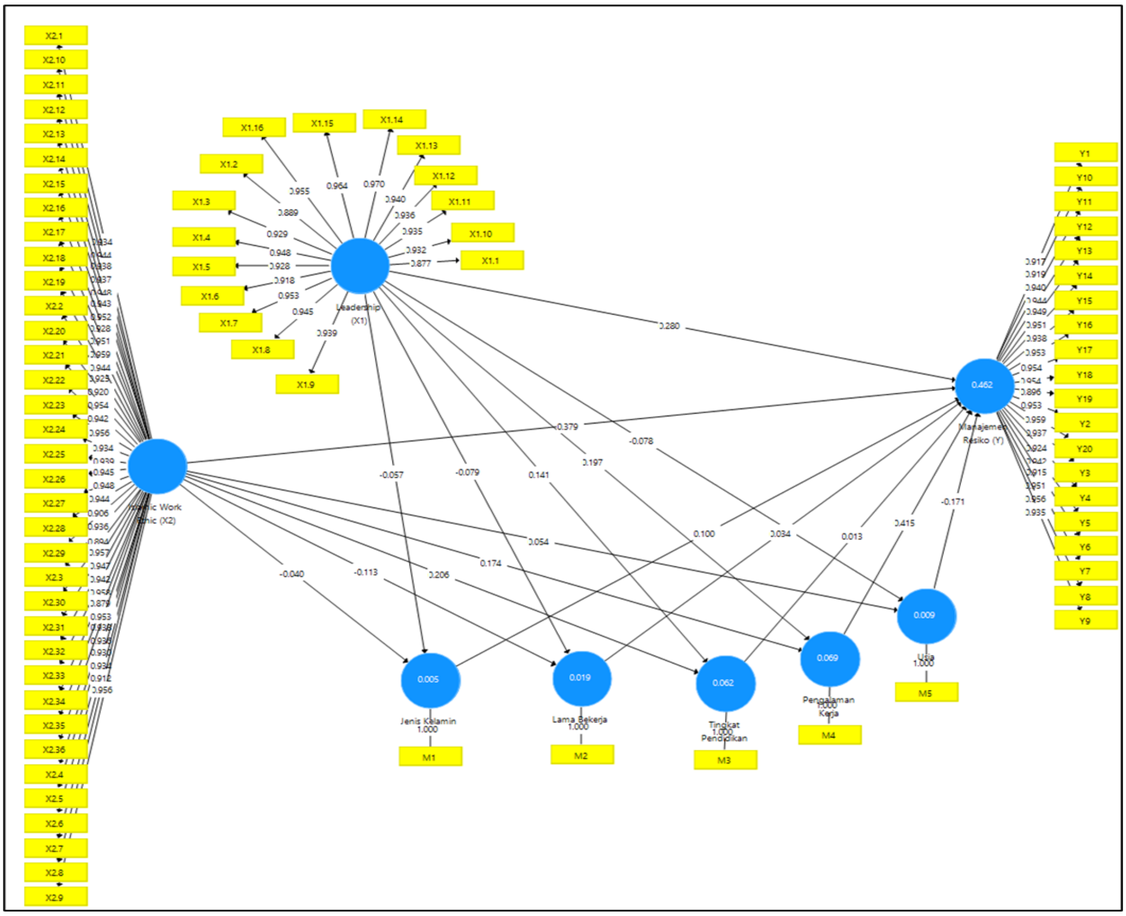
Data source: Author, 2024

3. Outer Model Testing

Outer model testing and analysis aims to see each indicator is related to the latent variable. The outer model test specifies the relationship between the latent variable and the indicators or how each indicator is related to the latent variable. The tests carried out on the outer model are:

a. Convergent Validity, where the loading factor value on the latent variable is expected to be > 0.7.
b. Discriminant Validity, where the cross loading factor value is useful for finding out whether the construct has adequate discriminant, namely by comparing the loading value on the targeted construct which must be greater than the loading value on the other construct.
c. Average Variance Extracted (AVE), where the AVE value is expected to exceed > 0.5.
d. Composite Reliability, where data that has a CR > 0.7 has high reliability
e. Cronbach Alpha, is a test to strengthen reliability with a value expected to reach > 0.6 for all constructs.

Figure 1. Test Results Based On Outer Loading



Data source: Author, 2024

From Figure 1, it is known that all outer loading values are > 0.7, which means they have met the validity requirements based on the loading value. Next, validity testing was carried out based on Average Variance Extracted and the following data was obtained.

Table 4. Validity Testing Based on Average Variance Extracted (AVE)

Variable	AVE value	Indicator	Resume
Islamic Work Ethic (X2)	0,880	≥ 0,50	Valid
Gender (Z1)	1,000	≥ 0,50	Valid
Length of Work (Z2)	1,000	≥ 0,50	Valid
Leadership (X1)	0,874	≥ 0,50	Valid
Risk Management (Y)	0,883	≥ 0,50	Valid
Conventional Experience (Z4)	1,000	≥ 0,50	Valid
Education (Z3)	1,000	≥ 0,50	Valid
Age (Z5)	1,000	≥ 0,50	Valid

Data source: Author, 2024

In the research, all AVE values in the table above, namely Leadership, Islamic Work Ethics, Risk Management, have values > 0.5, which means that there are no convergent validity problems in the model tested.

4. Composite Reliability

Composite reliability (CR) is the part used to test the reliability value of indicators on all variables. Based on table 5, it is known that the CR value of all research variables is > 0.7, which means that they fulfill the composite reliability element, so it can be concluded that all variables have a high level of reliability. This can be seen in table 5 below:

Table 5. Reliability Testing Based on Composite Reability

Variable	Composite Reliability	Indicator	Resume
Islamic Work Ethic (X2)	0,996	≥ 0,70	Reliable
Gender (Z1)	1,000	≥ 0,70	Reliable
Length of Work (Z2)	1,000	≥ 0,70	Reliable
Leadership (X1)	0,991	≥ 0,70	Reliable
Risk Management (Y)	0,993	≥ 0,70	Reliable
Conventional Experience (Z4)	1,000	≥ 0,70	Reliable
Education (Z3)	1,000	≥ 0,70	Reliable
Age (Z5)	1,000	≥ 0,70	Reliable

Data source: Author, 2024

5. Inner Model Testing

Based on the inner model scheme, it can be explained that the largest path coefficient value is Islamic Work Ethics for risk management of 0.379. Then the second biggest influence is the Leadership value on risk management of 0.280. Meanwhile, the influence of the intervening variable is only on the length of work variable, both through leadership and Islamic work ethics on risk management, the value is quite small, respectively 0.082 and 0.072. This is described in table 6 below.

Table 6. Summary of Hypothesis Test Results via Path Coefficient, T-Value and P-Value

Variable	Original Sample (O)	T-Statistics (O/STDEV)	P-Value	Resume of Hypothesis	
	Path Coefficient	t-Value		Ho	Ha
X1 → Y	0,280	2,427	0,008		Accepted
X1 → Z1 → Y	-0,006	0,558	0,288	Accepted	
X1 → Z2 → Y	0,082	1,835	0,034		Accepted
X1 → Z3 → Y	0,002	0,166	0,434	Accepted	
X1 → Z4 → Y	-0,003	0,281	0,39	Accepted	
X1 → Z5 → Y	0,013	0,824	0,205	Accepted	
X2 → Y	0,379	3,354	0,000		Accepted
X2 → Z1 → Y	-0,004	0,329	0,371	Accepted	
X2 → Z2 → Y	0,072	1,699	0,045		Accepted
X2 → Z3 → Y	0,003	0,191	0,424	Accepted	
X2 → Z4 → Y	-0,004	0,361	0,359	Accepted	
X2 → Z5 → Y	-0,009	0,633	0,264	Accepted	

Source: Processed Data, 2024

The R Square value from the research results on related variables, namely Management, Leadership and Islamic Work Ethics, is as follows.

Table 7. R-Square

	R-Square
Risk Management (Y)	**0,462**

Source: Processed Data, 2024

Furthermore, it is known that the R-Square value of Risk Management (Y) is 0.462, which means Leadership (X1), Islamic Work Ethic (X2), and respondent characteristics (Gender, Length of Work, Educational Level, Conventional Experience, Age) are capable of explains or influences Risk Management (Y) by 46.2%, the remaining 53.8% is influenced by other factors. These results indicate that a company can use increased leadership, Islamic work ethics and respondent characteristics, especially work experience, to improve the risk management function in the company, in this case Bank Sumut Syariah.

6. Discussion

Testing the first hypothesis in this research is that leadership influences risk management. In Table 7 above, the leadership probability value of 0.008 is lower than 0.05. And t-Value 2.247 > 1.697. This means that leadership has a significant influence on Risk Management. Thus, it can be concluded that the first hypothesis (H1) which states that leadership influences risk management is accepted. Testing the second hypothesis in this research is that leadership through gender has no effect on risk management. In table 7, the probability value of leadership through gender is 0.288, higher than 0.05. And t-Value 0.558 < 1.697. This means that leadership through gender has no significant effect on Risk Management. Thus, it can be concluded that the second hypothesis (H2) which states that leadership through gender influences risk management is rejected. Testing the third hypothesis in this research is that leadership through length of service has no effect on risk management. In table 7, the probability value of leadership through length of service is 0.034, which is lower than 0.05. And t-Value 1.835 > 1.697. This means that leadership through length of service has a significant effect on Risk Management. Thus, it can be concluded that the third hypothesis (H3) which states that leadership through length of service influences risk management is accepted. Testing the fourth hypothesis in this research is that leadership through education has no effect on risk management. In table 7, the probability value of leadership through education is 0.434, which is higher than 0.05. And t-Value 0.166 < 1.697. This means that leadership through education has no significant effect on Risk Management. Thus, it can be concluded that the fourth hypothesis (H4) which states that leadership through education has an effect on risk management is rejected. Testing the fifth hypothesis in this research is that leadership through conventional experience has no effect on risk management. In table 7, the probability value of leadership through conventional experience is 0.39, higher than 0.05. And t-Value 0.281 < 1.697. This means that leadership through conventional experience has no significant effect on Risk Management. Thus, it can be concluded that the fifth hypothesis (H5) which states that leadership through conventional experience has an effect on risk management is rejected (Hasbi et al., 2023).

Testing the sixth hypothesis in this research is Leadership through age on Risk Management. In table 7, the probability value of leadership through age is 0.205, which is higher than 0.05. And t-Value 0.824 < 1.697. This means that leadership through age does not have a significant effect on Risk Management. Thus, it can be concluded that the sixth hypothesis (H6) which states that leadership through age influences risk management is rejected. Testing the seventh hypothesis in this research is Islamic Work Ethics on Risk Management. In table 7, the Islamic Work Ethics probability value of 0.000 is lower than 0.05. And t-Value 3.354 > 1.697. This means that Islamic Work Ethics has a significant effect on Risk Management. Thus, it can be concluded that the seventh hypothesis (H7) which states that Islamic Work Ethics influences Risk Management is accepted. Testing the eighth hypothesis in this research is Islamic Work Ethics through gender on Risk Management. In table 7, the probability value of Islamic Work Ethics through gender is 0.371, higher than 0.05. And t-Value 0.329 < 1.697. This means that Islamic Work Ethics through gender does not have a significant effect on Risk Management. Thus, it can be concluded that the eighth hypothesis (H8) which states that Islamic Work Ethics through gender influences Risk Management is rejected (Supriyadi, 2024).

Testing the ninth hypothesis in this research is Islamic Work Ethics through length of work on Risk Management. In table 7, the probability value of Islamic Work Ethics through length of work is 0.045, which is lower than 0.05. And t-Value 1.699 > 1.697. This means that Islamic Work Ethics through length of work has a significant effect on Risk Management. Thus, it can be concluded that the ninth hypothesis (H9) which states that Islamic Work Ethics through length of work has an effect on Risk Management is accepted. Testing the tenth hypothesis in this research is Islamic Work Ethics through education on Risk Management. In table 7, the probability value of Islamic Work Ethics through education is 0.424, higher than 0.05. And t-Value 0.191 < 1.697. This means that Islamic Work Ethics through education has no significant effect on Risk Management. Thus, it can be concluded that the tenth hypothesis (H10) which states that Islamic Work Ethics through education has an effect on Risk

Management is rejected. Testing the eleventh hypothesis in this research is Islamic Work Ethics through conventional experience in Risk Management. In table 7, the probability value of Islamic Work Ethics through conventional experience is 0.359, higher than 0.05. And t-Value 0.359 < 1.697. This means that Islamic Work Ethics through conventional experience has no significant effect on Risk Management. Thus, it can be concluded that the eleventh hypothesis (H11) which states that Islamic Work Ethics through conventional experience has an effect on Risk Management is rejected (Muftih, 2024). Testing the twelfth hypothesis in this research is Islamic Work Ethics through age on Risk Management. In table 7, the probability value of Islamic Work Ethics through age is 0.264, which is higher than 0.05. And t-Value 0.633 < 1.697. This means that Islamic Work Ethics through age does not have a significant effect on Risk Management. Thus, it can be concluded that the twelfth hypothesis (H12) which states that Islamic Work Ethics through age influences Risk Management is rejected.

E. CONCLUSION

In general, Islamic Work Ethics plays an important role in risk management compared to leadership, where the results of the Islamic Work Ethics test for Risk Management are greater than the results of the Leadership test for Risk Management. This shows that the foundation of Islamic Work Ethics is stronger than Leadership. This research recommends that leaders must be able to transform and invite employees to combine work for the good of this world and the hereafter. The emphasis on elements of religiosity in work needs to be emphasized. Apart from implementing a Work Culture (Corporate Work Value/CWV), the Management of Bank Sumut Syariah (BSS) needs to implement Islamic Work Ethics (IWE) for its employees and implement more deeply factors such as justice, work is worship and achieving halal income. . Furthermore, the company organization has carried out Risk Management Certification (SMR) for its serving leaders. However, apart from SMR, BSS needs to consider implementing the ISO 31000 program regarding Risk Management, so that the risk management environment can be felt by all employees.

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