

Economic Happiness and Workplace Well-being as Drivers of Institutional Productivity: An Islamic Economic and SDG Perspective in Malaysia PHEIs

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Abstract

This study investigates the extent to which Islamic economic principles, economic happiness, and the integration of Sustainable Development Goals (SDGs) predict workplace well-being, conceptualized as an indirect indicator of institutional productivity, within Malaysian Private Higher Education Institutions (PHEIs). Drawing upon a cross-sectional survey of 120 academic and administrative personnel from Islamic-oriented institutions, the research employs descriptive statistics, reliability analysis, Pearson correlation, and multiple regression to evaluate the predictive strength of value-driven workplace practices. The results demonstrate significant positive associations between workplace well-being and both economic happiness ($r = 0.698$, $p < 0.001$) and Islamic economic principles with SDG-aligned practices ($r = 0.841$, $p < 0.001$). Regression analysis reveals that Islamic economic values ($B = 0.567$, $p < 0.001$) serve as a stronger predictor of well-being than economic happiness ($B = 0.139$, $p = 0.014$), with both explaining 72.2% of the variance in subjective well-being ($R^2 = 0.722$). These findings underscore the institutional importance of embedding Islamic ethical frameworks and sustainability principles to promote well-being, engagement, and productivity.

Keywords: Economic Happiness, Subjective Well-being, Islamic Economics, Sustainable Development Goals (SDGs), Productivity, Private Higher Education Institutions (PHEIs)

Introduction

The growing emphasis on institutional effectiveness and employee engagement has repositioned workplace well-being as a cornerstone of organizational performance. Within Malaysia's Private Higher Education Institutions (PHEIs), where cultural and religious values significantly shape governance and workforce dynamics, understanding the interplay between Islamic economic principles and economic happiness is critical for fostering productive environments. This study addresses a research gap by examining how subjective well-being (SWB) conceptualized here as a foundational enabler and proxy for institutional productivity is shaped by ethical integration and financial satisfaction in faith-based academic settings.

Workplace well-being has emerged as a key determinant of sustainable organizational development, particularly in service-oriented sectors such as education. Diener, Oishi, and Tay (2017) emphasize that SWB encompasses emotional experiences, life satisfaction, and psychological functioning factors linked to higher job performance, commitment, and reduced turnover. In higher education, SWB is associated with improved teaching quality, administrative efficiency, and academic productivity (Kinman & Wray, 2020). Recent studies by Mahecha-Lagos et al. (2025) and Nugraha et al. (2024) reinforce that well-being significantly influences organizational culture, knowledge output, and resilience among staff. As such, institutional leaders must identify the underlying drivers of employee well-being to enhance long-term performance and engagement. The well-being of academic and administrative staff does not only influence the internal culture of an institution but also impacts its reputation, student satisfaction, and broader educational outcomes. Ignoring these aspects may lead to disengagement, burnout, or diminished institutional effectiveness over time (Mariana et al., 2024).

One prominent driver is economic happiness, which refers to the contentment individuals derive from their financial circumstances and material security. Studies by Kahneman and Deaton (2010) and Clark, Frijters, and Shields (2008) confirm that financial satisfaction is significantly associated with emotional stability and job satisfaction, particularly in environments marked by rising living costs and wage stagnation. In the Malaysian context, Noor and Abdullah (2015) found a strong relationship between financial stability and life satisfaction among working adults, underscoring the practical importance of economic happiness in shaping workplace morale and motivation. Recent findings by Ashraf et al. (2024) and Lintang et al. (2024) further affirm that economic satisfaction and equitable reward systems lead to improved job satisfaction and retention in Islamic work environments. Economic happiness acts as a stabilizing force that helps buffer employees against stressors and contributes to stronger psychological resilience at work. Moreover, the perception of fair and adequate compensation can shape organizational trust and reduce turnover intentions, further supporting long-term institutional sustainability.

Equally important are the ethical and spiritual dimensions of work. Islamic economic values rooted in the principles of *adl* (justice), *amanah* (trust), and *maslahah* (public interest) provide a moral framework for shaping workplace behavior and policy (Chapra, 1992). In organizational settings, these values foster mutual respect, purpose-driven engagement, and ethical responsibility (Beekun & Badawi, 2005). Empirical evidence shows that institutions that embody Islamic values tend to enjoy higher levels of employee trust, satisfaction, and

organizational harmony (Ali & Al-Owaihian, 2008). Recent research by Arfani, Fuadi, and Pratomo (2024) confirms that Islamic work ethics directly enhance job performance, motivation, and collective responsibility in faith-aligned institutions. In the context of Muslim-majority institutions, the integration of these values is not merely a symbolic gesture but an operational necessity that reflects the spiritual and ethical expectations of the community. When internal policies are aligned with these principles, they contribute to a stronger sense of identity, shared purpose, and moral accountability among employees.

Complementing this ethical foundation is the integration of the United Nations Sustainable Development Goals (SDGs), particularly Goal 3 (Good Health and Well-being) and Goal 8 (Decent Work and Economic Growth). Leal Filho et al. (2019) assert that higher education institutions must align internal policies with SDG benchmarks to maintain relevance and accountability in the global landscape. In Malaysia, the Economic Planning Unit (EPU, 2021) has advocated for the adoption of SDG principles in governance, including human resource development in PHEIs. Studies by Abdul-Rashid et al. (2017) and Khan, Ahmad, and Majava (2021) further support the view that integrating SDGs with organizational ethics promotes sustainability performance and employee engagement. The convergence of Islamic values with SDG frameworks offers an opportunity to create holistic and inclusive workplace strategies that promote not only productivity but also justice, health, and social equity.

Despite substantial research on emotional and material well-being, limited empirical work has examined how Islamic economic values and SDG-aligned practices jointly support workplace well-being and institutional performance, particularly in Malaysian private higher education. This study addresses this gap by exploring how economic happiness and Islamic economic principles contribute to workplace well-being and by framing that well-being as an indirect yet meaningful measure of institutional productivity. In doing so, it offers practical insights into how ethical, financial, and developmental strategies can be integrated into organizational policies to foster sustainable academic excellence and workforce engagement.

Literature Review

Subjective well-being (SWB) refers to an individual's cognitive and emotional evaluation of their life experiences, encompassing dimensions such as life satisfaction, positive affect, and absence of negative emotions (Diener et al., 2018). In organizational contexts, SWB has been associated with critical outcomes such as job engagement, productivity, and institutional loyalty (Keyes, 2014). Particularly in the education sector, where emotional labor is substantial, high levels of SWB are linked to improved teaching quality, effective collaboration, and reduced burnout (Kinman & Wray, 2020; Nugraha et al., 2024). Furthermore, recent evidence highlights that subjective well-being is not only a product of individual temperament but also a reflection of organizational justice, workplace relationships, and institutional culture (Mahecha-Lagos et al., 2025). Economic Happiness, as a construct within the broader domain of SWB, refers to the satisfaction individuals experience in relation to their economic conditions, including income sufficiency, financial security, and perceived fairness in compensation. Kahneman and Deaton (2010) found that while income does not necessarily increase emotional happiness beyond a certain threshold, it strongly influences life satisfaction and the ability to manage daily challenges. More recent studies, such as Ashraf et al. (2024) and Lintang et al. (2024), have reinforced that equitable compensation, financial incentives, and benefits structures significantly improve employee

morale, particularly in emerging economies and faith-based institutions. Economic Happiness also serves as a psychological buffer, contributing to higher resilience, lower stress, and greater organizational commitment among workers. As highlighted by Clark, Frijters, and Shields (2008), perceptions of relative income fairness more than absolute income drive contentment and workplace performance, especially in collective cultures such as Malaysia's.

Islamic economic principles offer a value-based foundation for economic decision-making that integrates moral, spiritual, and social considerations. Key principles include *adl* (justice), *amanah* (trustworthiness), *ihsan* (excellence), and *maslahah* (public interest), which collectively promote ethical conduct, mutual respect, and accountability (Chapra, 2000; Ali & Al-Owaidan, 2008). These principles have practical implications for workplace environments, where employees seek meaningful work aligned with their values. In recent studies, Arfani, Fuadi, and Pratomo (2024) found that adherence to Islamic work ethics enhances job performance, employee discipline, and cooperation in organizations governed by Islamic values. Similarly, Beekun and Badawi (2022) emphasize that Islamic ethics improve organizational cohesion and reduce workplace conflict by cultivating a spiritually grounded and socially responsible workforce.

In Muslim-majority contexts, such as Malaysia and Indonesia, institutions that operationalize Islamic values in policy and governance demonstrate higher levels of employee trust, organizational harmony, and institutional loyalty (Nasution & Rafiki, 2023). The application of concepts like *shura* (consultation), fairness in wages, and transparency in decision-making is shown to directly influence staff satisfaction and engagement. Moreover, the practice of spiritual obligations like *zakat* (almsgiving) and *sadaqah* (voluntary charity) within organizational structures has been linked to increased social capital and solidarity in the workplace (Lintang et al., 2024).

The United Nations Sustainable Development Goals (SDGs) provide a global framework for promoting inclusive, ethical, and sustainable growth. In the context of workplace well-being, SDG 3 (Good Health and Well-being), SDG 8 (Decent Work and Economic Growth), and SDG 10 (Reduced Inequalities) are particularly relevant. These goals call for safe, equitable, and motivating work environments where employees can thrive. Leal Filho et al. (2019) argue that higher education institutions must internalize SDG values not only for compliance but also to strengthen their social legitimacy and ethical standards. Recent research by Khan, Ahmad, and Majava (2021) supports the assertion that SDG integration enhances organizational sustainability and stakeholder engagement. When Islamic economic principles are aligned with the SDGs, institutions benefit from a dual ethical-developmental framework. This convergence allows organizations to address both moral obligations and measurable outcomes in productivity and staff engagement. For example, Abdul-Rashid et al. (2017) found that integrating SDGs with Islamic workplace ethics significantly improved employee satisfaction and institutional innovation in Malaysian universities. Similarly, Puteh, Rasyidin, and Mawaddah (2018) highlight that ethical finance and inclusive policies in Islamic banks foster customer trust and employee commitment findings that are transferable to educational institutions.

The literature thus supports a holistic approach to workplace management that values employee well-being not just as a human resources metric but as a strategic driver of

productivity and institutional excellence. By embedding economic happiness and Islamic ethics within SDG-aligned frameworks, institutions can create value-rich environments that nurture employee motivation and long-term sustainability. However, despite growing recognition, few empirical studies have examined these relationships in an integrated manner, particularly within Malaysian Private Higher Education Institutions (PHEIs). This study contributes to closing this gap by empirically testing how economic happiness and Islamic economic principles predict workplace well-being, which in turn serves as a meaningful proxy for productivity.

Methodology

This study employed a quantitative cross-sectional design to examine the relationships between economic happiness, Islamic economic principles, and subjective well-being within the context of Malaysian Private Higher Education Institutions (PHEIs). The target population consisted of academic and administrative staff working in selected PHEIs known for their adherence to Islamic values and governance. A total of 120 respondents participated in the study. These institutions were selected purposively to ensure alignment with the study's emphasis on faith-based and ethical work environments.

Data were collected using a structured questionnaire consisting of four sections: demographic information, economic happiness (10 items), Islamic economic principles and Sustainable Development Goal (SDG) integration (10 items), and subjective well-being at the workplace (10 items). All items were measured using a 5-point Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The questionnaire items were adapted from established sources such as Diener et al. (2018), Ashraf et al. (2024), and Nasution and Rafiki (2023), with contextual modifications to suit Islamic institutional settings. A pilot test was conducted with 15 participants to evaluate clarity, wording, and instrument reliability, after which minor adjustments were made.

The sampling approach employed was stratified random sampling to ensure proportional representation across different job roles including academic, professional administrative, and support staff. Data collection was carried out electronically over a four-week period, with periodic reminders sent to maximize response rates. Ethical clearance was obtained from the appropriate institutional review board, and informed consent was secured from all participants. Confidentiality and anonymity were strictly maintained throughout the research process.

Descriptive statistics were used to summarize respondent demographics and to compute mean and standard deviation scores for each construct. Reliability of the constructs was assessed using Cronbach's Alpha, with all values exceeding the 0.70 threshold, indicating strong internal consistency. Pearson correlation analysis was conducted to identify the strength and direction of relationships between economic happiness, Islamic economic principles and SDG alignment, and subjective well-being. Multiple regression analysis was subsequently used to determine the predictive power of the independent variables economic happiness and Islamic economic principles on the dependent variable, subjective well-being.

Although this study did not directly measure institutional productivity, subjective well-being is conceptualized as an empirically grounded and theoretically supported proxy. This

justification is based on prior research demonstrating that well-being is significantly correlated with increased organizational performance, efficiency, and long-term sustainability, especially in education and service-driven institutions (Diener & Seligman, 2004; Kinman & Wray, 2020; Khan et al., 2021). Thus, the use of subjective well-being as a performance-relevant indicator enables this study to assess institutional health through the lens of ethical and economic factors.

Results and Discussion

Table 1 presents the descriptive statistics for the three primary constructs examined in this study: Subjective Well-being (SWB), Economic Happiness (EH), and Islamic Economic Principles and Sustainable Development Goal Integration (IEP-SDG). The mean score for Subjective Well-being was 3.85 (SD = 0.75), suggesting that respondents generally perceive their workplace experiences positively in terms of emotional fulfillment, psychological balance, and job satisfaction. This indicates a moderate to high level of overall well-being among the academic and administrative staff surveyed.

The construct of Economic Happiness yielded the highest mean score of 4.02 (SD = 0.82), implying that most respondents are relatively satisfied with their financial circumstances, including salary adequacy, economic security, and perceived fairness of compensation. This reflects the importance of economic stability in contributing to emotional comfort and a sense of security at work. The relatively high score also reinforces findings in the literature that financial satisfaction plays a key role in shaping overall job contentment and engagement, particularly in professional and education sectors.

Meanwhile, the mean score for Islamic Economic Principles and SDG Integration was 3.65 (SD = 0.70), which, while still positive, was lower compared to the other two constructs. This suggests that although respondents recognize efforts by their institutions to promote Islamic values and align with sustainability objectives, there is room for improvement in terms of institutionalizing ethical standards, participatory governance, and social equity in daily operations. The moderate score may reflect varying levels of implementation across departments or a perception that such initiatives are more symbolic than systemic. Overall, the descriptive results indicate a favorable perception of workplace experiences among staff, with strong emphasis on economic contentment and general well-being, while signaling the need for enhanced integration of ethical and developmental values at the institutional level. These findings offer a foundation for interpreting subsequent relational and predictive analyses presented in the following sections.

Table 1

Mean Statistics for Subjective Well-being, Economic Happiness and Islamic Economic Principles & SDGs

Variable	Mean	SD
Subjective Well-being (SWB)	3.85	0.75
Economic Happiness (EH)	4.02	0.82
Islamic Economic Principles & SDGs (IEP)	3.65	0.70

Table 2 reports the results of the reliability analysis conducted for the three core constructs: Subjective Well-being (SWB), Economic Happiness (EH), and Islamic Economic Principles and

SDG Integration (IEP-SDG). Reliability was assessed using Cronbach's Alpha, a widely recognized measure of internal consistency that evaluates how closely related a set of items are as a group. In social science research, a Cronbach's Alpha value of 0.70 or higher is generally considered acceptable, indicating that the items reliably measure the same underlying construct.

In this study, all three constructs demonstrated excellent internal consistency. The Subjective Well-being scale achieved a Cronbach's Alpha of 0.869, suggesting that the 10 items measuring emotional satisfaction, psychological balance, and perceived quality of workplace life are strongly correlated and consistently reflect the respondents' overall sense of well-being at work. The Economic Happiness construct recorded an even higher reliability score of 0.914, indicating very strong coherence among the items related to income satisfaction, economic security, and financial fairness. This high reliability confirms that the construct effectively captures the financial satisfaction dimension of employee experience.

Similarly, the Islamic Economic Principles and SDG Integration scale yielded a Cronbach's Alpha of 0.949, the highest among the three. This exceptionally strong reliability suggests that the items measuring institutional commitment to justice, trust, ethical governance, and alignment with Sustainable Development Goals are highly consistent in capturing respondents' perceptions. The robustness of this scale reinforces the credibility of the responses and highlights the relevance of integrating ethical and sustainability principles in organizational practice.

These findings provide strong evidence of measurement reliability across all constructs and validate the use of these instruments in the context of Malaysian PHEIs. High internal consistency enhances the confidence in subsequent statistical analyses, ensuring that observed relationships between variables are not influenced by measurement error or inconsistency within the scales.

Table 2
Cronbach's Alpha for Scale Reliability

Variables	No. of Items	α
Subjective Well-being (SWB)	10	0.869
Economic Happiness (EH)	10	0.914
Islamic Economic Principles & SDGs (IEP)	10	0.949

Table 3 presents the Pearson correlation coefficients for the three key constructs: Subjective Well-being (SWB), Economic Happiness (EH), and Islamic Economic Principles and SDG Integration (IEP-SDG). The Pearson correlation analysis was conducted to assess the strength and direction of linear relationships between these variables. All relationships were found to be statistically significant at the 0.01 level (2-tailed), indicating strong and meaningful associations across the constructs examined. The correlation between Subjective Well-being and Economic Happiness was $r = 0.698$, which represents a moderately strong positive relationship. This finding suggests that individuals who report higher satisfaction with their financial status also tend to experience greater well-being in the workplace. This supports the extensive literature highlighting financial contentment as a core determinant of job satisfaction and emotional stability (Kahneman & Deaton, 2010; Ashraf et al., 2024). In

practical terms, it implies that even in faith-based or value-driven institutions, material well-being remains a fundamental component of employee morale and engagement. A stronger relationship was observed between Subjective Well-being and the Islamic Economic Principles & SDG Integration variable, with a correlation coefficient of $r = 0.841$. This indicates a very strong positive association, meaning that the more employees perceive their institution to be guided by ethical Islamic values and sustainability-oriented policies, the more they tend to report a higher sense of emotional and psychological well-being. This finding aligns with recent scholarship emphasizing the motivational power of value congruence, ethical leadership, and mission-driven organizational culture in shaping employee satisfaction and institutional loyalty (Nasution & Rafiki, 2023; Khan et al., 2021).

Lastly, the correlation between Economic Happiness and Islamic Economic Principles & SDG Integration was also high at $r = 0.733$, suggesting that financial satisfaction is positively associated with employees' perceptions of institutional ethics and developmental priorities. This could indicate that when staff members feel financially secure and fairly compensated, they are also more likely to recognize and affirm their institutions' broader ethical and sustainability efforts. Alternatively, it could reflect the belief that value-based organizations tend to promote both material fairness and moral accountability, reinforcing trust in institutional leadership. Overall, the statistically significant and high-magnitude correlations among all three constructs validate the conceptual model underlying this study. The results reinforce the interdependence of economic, ethical, and psychological dimensions of workplace experience, and highlight the importance of addressing all three to foster a balanced and productive academic workforce in Malaysian PHEIs.

Table 3

Pearson Correlation Matrix

	SWB	EH	IEP
Subjective Well-being (SWB)	1.000	0.698	0.841
Economic Happiness (EH)	0.698	1.000	0.733
Islamic Economic Principles & SDG (IEP)	0.841	0.733	1.000

Table 4 summarizes the results of the multiple regression analysis conducted to assess the predictive power of Economic Happiness and Islamic Economic Principles & SDG Integration on Subjective Well-being at the Workplace. The analysis reveals that both independent variables significantly contributed to the model, indicating that each plays a unique and important role in shaping employees' well-being in the context of Malaysian Private Higher Education Institutions (PHEIs).

The overall model was statistically significant, with $R^2 = 0.722$, $F(2,117) = 151.668$, and $p < 0.001$, suggesting that approximately 72.2% of the variance in Subjective Well-being can be explained by the combined influence of Economic Happiness and Islamic Economic Principles & SDGs. This is considered a high level of explanatory power in social science research and reflects the strong influence of both financial and ethical dimensions on employee well-being. Specifically, the standardized beta coefficient for Islamic Economic Principles & SDGs was $\beta = 0.710$, $t = 9.915$, $p < 0.001$, indicating that this variable was the strongest predictor in the model. This suggests that employees who perceive a high degree of institutional alignment with Islamic ethical values and sustainability goals are significantly more likely to report

higher levels of well-being. The result underscores the importance of value-based management practices and the integration of broader social and developmental frameworks—such as the SDGs—into workplace culture. In faith-based institutions, where spiritual and ethical alignment is central to organizational identity, such perceptions likely contribute to a deeper sense of purpose, trust, and job satisfaction.

Economic Happiness also emerged as a significant predictor, with a standardized beta coefficient of $\beta = 0.178$, $t = 2.484$, $p = 0.014$. While its effect was smaller compared to the ethical construct, it remained statistically meaningful, highlighting that financial satisfaction continues to be a key determinant of subjective well-being. This finding aligns with the literature emphasizing the psychological importance of financial security, fair compensation, and material sufficiency in fostering positive workplace attitudes and emotional well-being (Kahneman & Deaton, 2010; Clark et al., 2008). Together, these results provide empirical support for the theoretical model underpinning the study, which positions well-being as a product of both economic and ethical-institutional drivers. Importantly, the strength of the relationship between Islamic Economic Principles & SDGs and well-being suggests that in the context of Islamic-oriented PHEIs, ethical congruence and sustainability integration are not just symbolic values but active determinants of employee morale and institutional effectiveness.

Table 4

Multiple Regression Predicting Subjective Well-being

Predictor	B	SE	β	t	p
(Constant)	1.297	0.153	—	8.460	<0.001
Economic Happiness (EH)	0.139	0.056	0.178	2.484	0.014
Islamic Economic Principles & SDGs (IEP)	0.567	0.057	0.710	9.915	<0.001

The correlation results revealed statistically significant and substantial relationships among all the core constructs examined in the study. In particular, Subjective Well-being (SWB) exhibited a strong positive correlation with both Economic Happiness ($r = 0.698$, $p < 0.001$) and Islamic Economic Principles and SDG Integration (IEP-SDG) ($r = 0.841$, $p < 0.001$). These results reinforce the theoretical proposition that both financial satisfaction and value-driven organizational practices contribute meaningfully to employees' perceptions of well-being. The strength of these associations highlights that well-being in the workplace is not merely the result of individual emotional traits, but is deeply shaped by contextual factors such as income stability and perceived ethical alignment within the institution.

Further, the multiple regression analysis confirmed that both predictors significantly influence Subjective Well-being. However, IEP-SDG integration emerged as the stronger and more dominant predictor ($\beta = 0.710$, $p < 0.001$), compared to Economic Happiness ($\beta = 0.178$, $p = 0.014$). Together, these variables explained 72.2% of the variance in SWB ($R^2 = 0.722$), indicating a high level of explanatory power. This finding suggests that, while financial satisfaction is important, the perceived presence of Islamic ethical values and institutional commitment to sustainability has a deeper and more pronounced effect on how employees evaluate their overall well-being.

This distinction is particularly meaningful in faith-based institutional settings such as Malaysian PHEIs, where ethical congruence, moral leadership, and shared values are foundational to organizational identity. Employees are not only motivated by tangible economic rewards but also by a sense of spiritual fulfilment, fairness, and purpose derived from institutional alignment with Islamic principles and global sustainability goals. The regression results thus provide compelling evidence that ethical and developmental values are not peripheral but central to shaping workplace outcomes in these environments.

Given the well-established link in the literature between subjective well-being and workplace performance, these findings have significant implications. Numerous studies have shown that higher well-being leads to increased productivity, reduced turnover, greater institutional loyalty, and enhanced organizational climate (Diener & Seligman, 2004; Kinman & Wray, 2020). Therefore, the current results underscore the importance of viewing well-being not merely as a welfare objective but as a strategic driver of institutional productivity and sustainability. In practical terms, institutions that invest in promoting ethical workplace culture and ensuring fair economic conditions are more likely to nurture engaged, satisfied, and high-performing staff.

Conclusion

This study empirically substantiates the critical role of Islamic economic principles and economic happiness in fostering workplace well-being, which is here conceptualized as a strategic antecedent to institutional productivity within the context of Malaysian Private Higher Education Institutions (PHEIs). By positioning subjective well-being as a proxy for performance, the study advances current theoretical discourse by linking economic and ethical dimensions of employee experience to organizational outcomes in faith-based academic environments. The findings contribute to the growing literature on Islamic human resource management and organizational psychology by demonstrating that perceived ethical congruence—anchored in principles such as *adl* (justice), *amanah* (trust), and *maslahah* (public interest)—exerts a more substantial predictive influence on subjective well-being than material satisfaction alone. Nonetheless, the significant role of economic happiness underscores the necessity of addressing both tangible (financial security) and intangible (ethical alignment) dimensions of employee welfare to cultivate holistic well-being.

From a managerial and policy perspective, the study offers several key implications. Institutions are advised to embed Islamic ethical values systematically into their human resource frameworks, ensuring that recruitment, evaluation, and professional development practices are grounded in principles of fairness, integrity, and collective welfare. Additionally, aligning workplace strategies with relevant United Nations Sustainable Development Goals (notably SDGs 3, 8, and 10) may enhance institutional legitimacy, stakeholder engagement, and internal cohesion. The findings also reinforce the importance of equitable and transparent compensation systems as a cornerstone of organizational trust and employee retention. The empirical model tested in this study—linking Islamic values and economic happiness to workplace well-being—explains a substantial proportion of variance in well-being outcomes, thereby validating the theoretical framework. However, the reliance on cross-sectional data and the use of self-reported measures imposes certain limitations. Future research should incorporate longitudinal designs to examine causal pathways and temporal dynamics. Moreover, the inclusion of direct performance indicators (e.g., job

productivity metrics, institutional KPIs, and teaching outcomes) would strengthen the argument for well-being as a performance-relevant construct. Further analytical extensions, including mediation and moderation models, could yield richer insights into the structural mechanisms underpinning the observed relationships. Finally, comparative analyses across institutional types (e.g., secular vs. Islamic, public vs. private, regional vs. international) would offer a broader generalizability of the findings and help delineate context-specific versus universal determinants of workplace well-being. As institutions navigate increasingly complex demands for both performance and sustainability, this study reinforces the imperative to place ethical well-being—rooted in both economic justice and Islamic moral philosophy—at the center of institutional development strategies.

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