

Research Paper

## Knowledge Sharing and Individual Diversity Interaction at Zakat Institutions in Indonesia: Testing the Relationship

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 <https://doi.org/10.22515/shirkah.v7i1.501>

### ARTICLE INFO

#### Keywords:

Affective Commitment;  
Employee Performance;  
Individual Diversity  
Interaction; Knowledge  
Sharing; Religiosity

#### Article history:

Received: 08 June 2022  
Revised: 01 August 2022  
Accepted: 07 August 2022  
Available online: 11 August  
2022

#### To cite in APA style:

Aflah, K. N. (2022). Knowledge sharing and individual diversity interaction at zakat institutions in Indonesia: Testing the relationship. *Shirkah: Journal of Economics and Business*, 7(1), 86-99

### ABSTRACT

Research on the relationship between knowledge sharing and employee performance is still inconsistent. Hence, this study offers novelty by involving a variable of individual diversity interaction to investigate the effect of knowledge sharing on employee performance as observed by the ability of employees in achieving individual targets in collecting and distributing ZIS (zakat, infak, and alms). This study included 195 respondents that were analyzed with Structural Equation Modelling using AMOS. The results indicated that knowledge sharing has a positive and significant effect on individual diversity interaction. Individual diversity interactions have a positive and significant effect on religiosity and affective commitment. Moreover, religiosity and individual diversity interaction have a positive and significant effect on employee performance. However, affective commitment indicates no effect on employee performance. This study suggests that to improve performance, employees at zakat institutions need to further intensify their knowledge sharing. This study can be utilized as a resource for more research and to upgrade employees' ZIS collection and distribution capacity.



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## Introduction

Knowledge sharing is the exchange and transfer of knowledge within an organization (Abha, Astuti, & Triatmanto, 2021). This effort is performed so that the organization is aware of how to improve individuals' collective knowledge (Dalkir, 2017). Because organizational learning is predicated on personal knowledge, individual knowledge is

crucial (Ali, Selvam, Paris, & Gunasekaran, 2019). Personal interactions strengthen individual knowledge (Al-Hafez & Al-Mahdy, 2015). However, there are still egotistical individuals who prefer to keep their expertise to themselves rather than share it.

To improve an organization's capacity to manage a business profitably and successfully, knowledge sharing is crucial (Tuffaha, 2020). Previous studies have underlined the importance of knowledge sharing in an organization. Kohansal et al. (2013) investigated the effect of knowledge sharing on employee performance. Involving 300 employees in Iran, a positive and significant effect was found. Henttonen et al. (2016) also corroborate this finding when they examine 595 employees of public companies in Finland. The study also revealed a positive and significant relationship between knowledge sharing and employee performance. Similarly, Indah et al. (2017) looked into 80 employees in Indonesia conclude that knowledge sharing has a positive and significant effect on employee performance. In contrast to the aforementioned studies, research carried out by Saeed (2016) proves an insignificant effect of knowledge sharing on employee performance. The reasons for the insignificance are rooted in the problem that individuals in organizations are different in terms of age, gender, education, experience, intellectual ability, discipline, religion, beliefs, and so on, all of which can affect employee performance. However, managers may fail to acknowledge and capitalize on this diversity. Thus, diversity is required to promote better employee performance/

Workforce diversity has become a crucial component of human resource development (Davis, Frolova, & Callahan, 2016; Pondy, 2017). Diversity is being more widely accepted and utilized as a valuable corporate resource (Kyalo & Gachunga, 2015). Workforce diversity is a term used to describe a collection of individuals who engage with a company and provide a range of experiences, personalities, viewpoints, values, and advantages to that organization (Makokolo, 2015). Aydan (2016) divided differences between workers may be divided into two categories: primary differences like age, and secondary differences like educational background. Workforce diversity is simply similarities and differences among the workforce in terms of cultural background, age, gender, race, religion, and so on (Saxena, 2014). It influences employee performance. Employee performance is the act of carrying out a task or achieving the target given by an organization where the employee is working in. Employee's performance is the efficacy and efficiency of an employee's daily responsibilities in meeting stakeholder expectations (Bataineh, 2017). Effective diversity management may help the organization explore the knowledge, abilities, skills, and ideas of its employees.

The diversity of the workforce involves gender, age, education, and ethnic diversity (Shresta & Parajuli, 2021). Previous studies have confirmed the effect of individual diversity on employee performance. The impact of diversity in educational background, ethnicity, age, and gender on employee performance was favorable and considerable (Barang & Maende, 2019). They elaborate that because of their distinctive viewpoints, people with various educational backgrounds encourage better levels of consistency and originality and a wider range of expertise, values, and preferences are offered through age diversity in the workplace. Age and educational diversity had a substantial impact (Andoh, Ghansah, & Okogan-Odompley, 2019). The organization's talent pool is increased by having a broad mix of genders inside it. It also challenges gender stereotypes by encouraging alternative perspectives and methods derived from various life experiences (Barang & Maende, 2019). Diversity is an asset for every firm, and if it is managed well, it will boost employee

performance and productivity (Karwal & Tandon, 2022). Employee productivity is significantly predicted by the diversity of the workforce (Makudza, Muchingwe, & Dangaiso, 2020). If diversity is not adequately managed, it will result in unproductive interactions, misunderstandings, discrimination, hostility, and even conflict (Robbins & Judge, 2017).

Knowledge sharing and interaction in the form of integration between individuals and groups are crucial. Previous studies highlight the importance of similarities, not differences. External and internal similarities are needed, such as work experience, beliefs, and religious norms (Gompers, Huang, & Wang, 2017; Ruef, Aldrich, & Carter, 2003). So that cross-level interactions will be easy to do. The difference with its promising effect on employee performance might be inhibited by the need for similarities mentioned. Therefore, employees must commit to the organization. Because of the organizational commitment, how far do employees intend to maintain their membership despite the diversity. Hence, they can keep sharing knowledge for achieving organizational goals.

Knowledge sharing in organizations is becoming very important along with the advancement of globalization and the development of the industrial era 4.0, where the economy's driving force is the knowledge base. However, individual diversity must take part in the success of knowledge sharing. This study aims to address this issue and fill the gap left by other studies that have shown the inconsistent effects of knowledge-sharing on employee performance. There has been some disagreement concerning the effect of knowledge sharing on employee performance. Individual diversity is predicted to improve employee performance in zakat institutions in Central Java, Indonesia. Central Java is included in the top ten ZIS (*zakat, infak, and alms*) earnings in Indonesia. This province serves as a model for zakat management as it often got some awards for its ZIS management. Thus, this study seeks to determine whether individual diversity affects employee performance in zakat institutions in Central Java, Indonesia. This study becomes a cutting-edge study involving knowledge sharing, individual diversity interaction, affective commitment, religiosity, and employee performance in Indonesia.

### ***Hypotheses Development***

Scholars have elaborated on factors that affect individual performance in organizations, Organizations need a plan for cultivating a welcoming and adaptable mindset when working with diverse groups of individuals. When sharing knowledge, individuals must be open to diversity (Homan, Van Knippenberg, Van Kleef, & De Dreu, 2007). Making a good attitude toward diversity in groups and people when exchanging information into a management reference guide is necessary to increase effectiveness (Lauring & Selmer, 2013). Diversity is a valuable resource for knowledge creation. Therefore, access to knowledge resources will be much greater if several employees work together to combine previously held material (Homan et al., 2007). Openness is intended to enable the acceptance of diversity. Thus, a hypothesis was formulated:

**H<sub>1</sub>:** *Knowledge sharing positively affects individual diversity interaction.*

Organizational commitment comes in three kinds: affective, normative, and continuance. Affective commitment is an employee's sense of belonging and emotional attachment to the organization. Affective commitment among employees is characterized by high loyalty and a strong desire to work (Amdan et al., 2016). Individual diversity has

different characteristics. They can build commitment, create conditions, and shape the environment during the interaction process (Ahmad & Karim, 2019). Several studies have been carried out to examine the effect of diversity on employee performance (Elgadi & Ghardallou, 2021; Othman & Ibrahim Fouda, 2022). From the literature, a hypothesis was formulated:

**H<sub>2</sub>:** *Individual diversity interaction positively affects affective commitment*

Research on religion sometimes distinguishes between religion and religiosity. As Al-Ghazali expressed, religiosity emphasizes the substance of the noble values of faith that are different from religious formalities (Amaliah et al., 2015). Religiosity is also defined as a commitment to religious beliefs (Hari Adi & Adawiyah, 2018). Previous studies on the effect of diversity on religiosity underline the importance of religiosity for the employee. A fundamental requirement for religious employees is ethical behavior. Islam requires its adherents to uphold moral principles. According to Mas'ud (2015), ethics is called *akhlaq* in Islam. Employees' behavior and speech will demonstrate their understanding of, commitment to, and practice of religious teachings (Melkumyan, Pavlyutkin, & Prutskova, 2015). This is done both inside and outside of the workplace, for example, through praying and communing with God (Amaliah, Aspiranti, & Purnamasari, 2015). The proposed hypothesis is:

**H<sub>3</sub>:** *Individual diversity interaction positively affects religiosity*

Religiosity has a significant positive effect on employee performance as it increases when an employee's degree of religiosity increases (Ramadhan & Eryandra, 2021; Wijayanti & Nurhayati, 2021). Communication effectiveness and religious beliefs were positively associated with employee performance and honesty (Zahid, 2017). A study conducted by Adi and Adawiyah (2018) suggests a positive relationship between religiosity and employee satisfaction. The study further elaborated that religiosity, practice, and marketing orientation affect performance. The proposed hypothesis is:

**H<sub>4</sub>:** *Religiosity affects employee performance*

Workforce diversity is a significant aspect that affects employee performance (Ali, Shah, & Shaikh, 2020; Andoh, Ghansah, & Okogan-Odompley, 2019; Barang & Maende, 2019; Davis, Frolova, & Callahan, 2016; Gaunya, 2015; Khan, 2019; Makudza. Muchingwe, & Dangaiso, 2020; Muangee & Kiptoo, 2020; Olowookere & Abdulraheem, 2021; Pandy, 2017). The diversity may be in the form of gender, ethnicity, educational background, or experience. Gender diversity and employee performance had a significant positive relationship (Shrestha & Parajuli, 2021). The study finds that age and gender diversity are excellent indicators of an employee's performance in Nepal. However, the findings indicated that neither racial diversity nor educational attainment has any effect on employees' performance. Ethnic diversity and educational diversity have a significant and positive effects on employee performance (Muangee & Kiptoo, 2020). Gaunya (2015) and Ali, Shah, and Shaikh (2020) confirm a significant positive relationship between educational diversity and employee performance. Odhiambo, Gachoka, and Rambo (2018) describe a positive effect of gender diversity on employee performance. Meanwhile, Ahmad and Rahman (2019) describe that experience diversity has positive a effect on employees' performance. Workforce diversity has a favorable effect on the performance of employees (Karwal & Tandon, 2022).

**H<sub>5</sub>:** *Individual diversity interaction affect employee performance*

Employees' affective commitment reflects a sense of belonging to the company. Affective commitment increased involvement in organizational activities for organizational goals, and a desire to stay in the organization. Research on organizational commitment to employee performance was carried out by (Harwiki, 2016), and the results have a positive and significant influence on a sample of 40 cooperative employees in East Java. Other research investigated the relationship between affective commitment to employee performance (Dinc & Plakalovic, 2016). The result is that there is a positive and significant relationship between the two. Another study confirms that there is a relationship between affective commitment and employee performance (Gulzar, 2020). The proposed hypothesis is:

**H<sub>6</sub>:** *Affective commitment affects employee performance*

Based on the hypotheses an empirical research model was developed in this study. From the practical research model presented, there are six relationships among variables as illustrated in Figure 1.

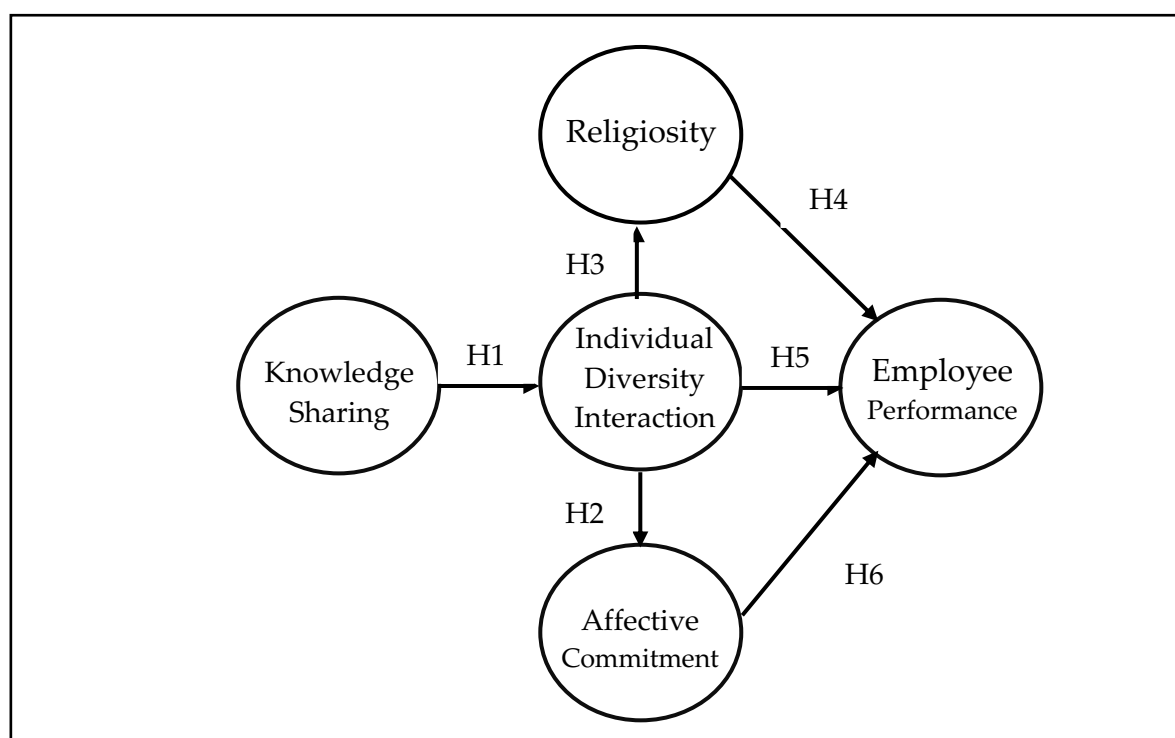


Figure 1. Research Model

## Method

### *Research Design*

This causal research aims to establish a link between the causes and effects of variables selected in the study. This study employed an experimental method by controlling the independent variable to see the effect on the dependent variable in the planned situation. Data were collected using a questionnaire. The responses were used to answer several questions in a questionnaire about knowledge sharing, individual diversity interaction, religiosity, affective commitment, and employee performance.

### ***Participants***

The population in this study are employees who worked in zakat institutions in Central Java. Men made up 57% of respondents, while women made up 43%. The total number of questionnaires distributed was 210, however, only 195 of them were returned. As a result, 195 questionnaires were analyzed for this study.

### ***Instruments and Data Collection***

The questionnaire uses the Likert scale. The research instrument grid includes information and data based on facts, objectives, activity standards, motivations for knowledge sharing, and employee performance in zakat institutions. The analysis was carried out using factor analysis in the form of the analytical method to reduce data by summarizing several variables into fewer and naming the as a factor (Creswell, 2016).

### ***Data Analysis***

This study uses a measurement scale of 1 to 7, from 'strongly disagree' to 'strongly agree'. The Structural Equation Modeling (SEM) with the AMOS allows researchers to test the validity and reliability of research instruments, determine the models, and test the effect of the independent variable on dependent variables.

Confirmatory factor analysis in the Structural Equation Model uses two steps of measurement and equation models. For all items to meet these criteria, they should not be less than ( $<0.05$ ) or more than ( $>0.95$ ). Each construct's AVE value is at the threshold of 0.5, and all of the CR values are more than 0.7. The measurement results showed a good fit with chi-square = 635,377, degrees of freedom (DF) = 615, and CMIN/DF = 1,033. In addition, Goodness of Fit (GoF) = 0.864, Incremental Fit Index (IFI) = 0.827, Tucker Lewis index (TLI) = 0.996, Comparative Fit Index (CFI) = 0.997, Root Mean Square Error of Approximately (RMSEA) = 0.013, and RMR standard (SRMR) = 0.047. IFI and GoF above 0.9 are acceptable. Additionally, the estimated fit for RMSEA was less than 0.05, and the SRMR was less than 0.08, which is regarded as a close fit indication. As a result, the research can go on to structural models.

The reliability and validity results show a good fit. The overall loading factor is greater than 0.5 and less than 0.95, AVE is higher than 0.5, and CR above 0.7. AVE values were between 0.506 and 0.663 and CR values ranged from 0.854 to 0.945. Structural model analysis also shows the good fit with chi-square = 552.403, DF = 1.012, and CMIN/DF= 1.012. Furthermore, the values show GoF = 0.877, AG FI = 0.842, TLI = 0.999, and CFI = 0.999. They are greater than 0.9, indicating the model fit. Additionally, SRMR = 0.055 with a significant value of 0.08 and RMSEA = 0.008 with a significant value of  $<0.08$  satisfy the required fit model.

## **Results**

This study involved 195 employees in zakat institutions as the respondents, with 52% male respondents and 48% female respondents. The respondents were primarily between the ages of 31-35 (37%) and 36-40 (35%); the remaining respondents were between the ages of 25-30 (12%), 41-45 (13%), 46-50 (6%), and  $>51$  (3%). According to their level of education, the majority of respondents (67%) had finished their bachelor's degrees, graduate degrees (12%), high school (15%), junior high (5%), and elementary school (2%), respectively. Table 1 displays the characteristics of respondents.

Table 1. Characteristics of Respondents (N=195)

Characteristics		Frequency	Percentage (%)
Gender	Male	102	52%
	Female	93	48%
Age (Years)	25-30	12	6%
	31-35	72	37%
	36-40	68	35%
	41-45	26	13%
	46-50	11	6%
	>51	6	3%
Education	Primary School	3	2%
	Junior School	10	5%
	High School	29	15%
	Bachelor's Degree	130	67%
	Graduate Degree	23	12%
Position	Staff	121	62%
	Head	74	38%
Organizations	BAZNAS	45	23%
	LAZ	150	77%

The hypothesis testing shows that knowledge sharing has a positive and significant effect on individual diversity. H<sub>1</sub> is accepted. In addition, individual diversity interactions have a significant effect on religiosity and affective commitment. Thus, H<sub>2</sub> and H<sub>3</sub> are accepted. Religiosity and individual diversity interaction have a positive and significant effect on employee performance indicating that H<sub>4</sub> and H<sub>5</sub> are accepted. Nevertheless, there is no effect of affective commitment on employee performance. This makes H<sub>6</sub> rejected. Table 2 presents the summary of hypotheses testing.

Table 2. The Results of Hypotheses Testing

Hypothesis	Relationship	Estimate	SE	CR	P	Result
H <sub>1</sub>	KS → IDI	.760	.086	8.866	.000	Accepted
H <sub>2</sub>	IDI → AC	.569	.070	8.084	.000	Accepted
H <sub>3</sub>	IDI → RG	.626	.085	7.403	.000	Accepted
H <sub>4</sub>	RG → EP	.248	.059	4.190	.000	Accepted
H <sub>5</sub>	IDI → EP	.320	.094	3.409	.000	Accepted
H <sub>6</sub>	AC → EP	.177	.118	1.507	.132	Rejected

Note (s): KS = knowledge sharing, IDI = individual diversity interaction, AC = affective commitment, RG = religiosity, EP = employee performance

A hypothesis test is carried out by taking into account the significance of the estimate, critical ratio, and probability based on the results of the analysis in AMOS, as seen in the results of the structural equation modeling. The table collects the causality relationships of all constructs that build the structural equation model. Therefore, the characteristics of each relationship can be known, be it the correlation value and the direction of the relationship

between the two constructs (positive or negative) so that each hypothesis presented in this study can be evaluated and analyzed.

### Confirmatory Factor Analysis

A confirmatory test intends to determine the unidimensionality of the dimensions forming the variables in the study. Each indicator on the variable has shown a loading factor value above 0.5. This indicates the model fit. The reliability and AVE values also show loading factors above 0.5 showing the fit. Table 3 shows the results of the Confirmatory factor analysis.

Table 3. The Results of the Confirmatory Factor Analysis

Variable	Indicator	Loading Factor	LF <sup>2</sup>	Measurement Error	Reliability	AVE
Knowledge Sharing	X1.1	0.727	0.529	1-0.529 = 0.471	<b>0.854</b>	<b>0.506</b>
	X1.2	0.608	0.370	1-0.370 = 0.630		
	X1.3	0.745	0.555	1-0.555 = 0.445		
	X1.4	0.673	0.453	1-0.453 = 0.547		
	X1.5	0.598	0.471	1-0.358 = 0.642		
	X1.6	0.813	0.661	1-0.661 = 0.339		
	<b>Total</b>	<b>4.164</b>	<b>3.038</b>	<b>2.962</b>		
Individual Diversity Interaction	Y1.1	0.799	0.638	1-0.638 = 0.362	<b>0.945</b>	<b>0.660</b>
	Y1.2	0.827	0.684	1-0.684 = 0.316		
	Y1.3	0.834	0.696	1-0.696 = 0.419		
	Y1.4	0.762	0.581	1-0.581 = 0.419		
	Y1.5	0.822	0.676	1-0.676 = 0.324		
	Y1.6	0.864	0.746	1-0.746 = 0.254		
	Y1.7	0.780	0.608	1-0.608 = 0.392		
	Y1.8	0.819	0.671	1-0.671 = 0.329		
	Y1.9	0.803	0.645	1-0.645 = 0.355		
	<b>Total</b>	<b>7.31</b>	<b>5.945</b>	<b>3.055</b>		
Affective Commitment	Y2.1	0.727	0.529	1-0.529 = 0.471	<b>0.877</b>	<b>0.545</b>
	Y2.2	0.724	0.524	1-0.524 = 0.476		
	Y2.3	0.790	0.624	1-0.624 = 0.376		
	Y2.4	0.761	0.579	1-0.579 = 0.436		
	Y2.5	0.751	0.564	1-0.564 = 0.436		
	Y2.6	0.674	0.454	1-0.454 = 0.546		
	<b>Total</b>	<b>4.427</b>	<b>3.274</b>	<b>2.726</b>		
Religiosity	Y3.1	0.726	0.527	1-0.527 = 0.473	<b>0.938</b>	<b>0.603</b>
	Y3.2	0.728	0.530	1-0.530 = 0.470		
	Y3.3	0.768	0.590	1-0.590 = 0.410		
	Y3.4	0.717	0.514	1-0.514 = 0.486		
	Y3.5	0.845	0.714	1-0.714 = 0.286		
	Y3.6	0.819	0.671	1-0.671 = 0.329		
	Y3.7	0.774	0.599	1-0.599 = 0.401		
	Y3.8	0.749	0.561	1-0.561 = 0.439		
	Y3.9	0.824	0.679	1-0.679 = 0.321		
	Y3.10	0.809	0.654	1-0.654 = 0.341		
	<b>Total</b>	<b>7.759</b>	<b>6.039</b>	<b>3.961</b>		



Variable	Indicator	Loading Factor	LF <sup>2</sup>	Measurement Error	Reliability	AVE
Employee Performance	Y4.1	0.690	0.476	1-0.476 = 0.524	0.940	0.663
	Y4.2	0.772	0.596	1-0.596 = 0.404		
	Y4.3	0.795	0.632	1-0.632 = 0.368		
	Y4.4	0.850	0.723	1-0.723 = 0.278		
	Y4.5	0.896	0.803	1-0.803 = 0.197		
	Y4.6	0.870	0.757	1-0.757 = 0.243		
	Y4.7	0.815	0.664	1-0.664 = 0.336		
	Y4.8	0.812	0.659	1-0.659 = 0.341		
<b>Total</b>		<b>6.500</b>	<b>5.310</b>	<b>2.690</b>		

### Full Model Test/Full Model Feasibility Test Analysis Output

The output of SEM analysis indicates a model fit as shown in Table 4.

Table 4. Model Feasibility Test

No.	The goodness of fit index	Cut off value	Analysis Result	Description
1.	Chi-Square	< (df:615, $\alpha$ :0.05)	635.377	Fit
2.	CMIN/DF	< 2.00	1.033	Fit
3.	Probability	> 0.05	0.276	Fit
4.	GoF	> 0.90	0.864	Marginal
5.	AGFI	> 0.90	0.827	Marginal
6.	CFI	> 0.90	0.997	Fit
7.	TLI	> 0.95	0.996	Fit
8.	RMSEA	< 0.08	0.013	Fit

The chi-square value is 635.377 with cut off value df of 615:0.05, probability of 0.276, CMIN/DF value of 1.033, GoF value of 0.864 (marginal), AGFI value, 0.827 (marginal), TLI value of 0.996, CFI value of 0.997, and RMSEA value of 0.013. All loading factor values obtained are more than 0.5. The GoF is 0.864 and AGFI is 0.827, which do not meet the requirements but are close to the threshold value of > 0.90. Thereby, it is categorized as marginal. However, because the probability value is above 0.05, which is 0.276, the model is fit or can be accepted.

### Discussion

The analysis of this study demonstrates that knowledge sharing that is regularly planned, well-managed, and carried out by the organization can promote interactions between individuals from various backgrounds (H<sub>1</sub>). The knowledge-sharing facilities provided by institutions, both formal and non-formal, can allow employees to interact with each other. Organizations need to facilitate social events that encourage individuals to interact, get to know each other, and share knowledge. This can reduce stereotypes and discrimination (Lauring & Selmer, 2013). Henttonen et al. (2016) confirm that organizations must provide facilities so that employees can interact for a variety of reasons.

This study also revealed that individual diversity interaction has a positive and significant effect on affective commitment (H<sub>2</sub>). An employee has to feel emotionally

invested in their company (Amdan et al., 2016; Haque, Fernando, & Caputi, 2019; Wong & Wong, 2017). Employees must thus consistently engage in voluntary activities that result in interactions between different employees (Ahmad & Karim, 2019). This underlies employees to feel more comfortable, at ease, and stay in the institution for long.

Another finding shows a positive and significant effect of the individual diversity interaction on religiosity (H<sub>3</sub>). Some employees are ignorant of religion, while others are moderate and some are spiritual masters (Melkumyan et al., 2015). Islam demands morality from its adherents while interacting with others, including using polite language, as well as having integrity and honesty. Employee behavior improves after studying religion, especially during activities (Diop, Johnston, Le, & Li, 2018).

Religiosity also shows a positive and significant effect on employee performance. Religious employees must behave ethically (H<sub>4</sub>). Islam commands its adherents to uphold ethics (Mas'ud, 2015). How morally upright a person is representing the pinnacle of his faith. Speaking truthfully, without hurting anyone, and without lying while working might boost an employee's performance (Aspiranti & Purnamasari, 2015; Diop et al., 2018). According to Amaliah et al. (2015), employees find the meaning of a job and their income as a livelihood and a religious obligation that can provide inner satisfaction.

This study confirms previous studies that individual diversity is a significant aspect that affects employee performance (Ali, Shah, & Shaikh, 2020; Andoh, Ghansah, & Okogan-Odompley, 2019; Barang & Maende, 2019; Davis, Frolova, & Callahan, 2016; Gaunya, 2015; Khan, 2019; Makudza, Muchingwe, & Dangaiso, 2020; Muangee & Kiptoo, 2020; Olowookere & Abdulraheem, 2021; Pondy, 2017). Individual diversity in the organization is one of the most important ways to improve employee performance. This, if managed properly it can improve employee performance. The study results reveal that the individual diversity interaction positively and significantly impacts employee performance at the zakat institution in Central Java (H<sub>5</sub>).

Lastly, this study found that affective commitment in the form of a sense of belonging and a strong emotional bond to the organization is not proven to improve performance (H<sub>6</sub>). The results of this study reveal that affective commitment cannot facilitate employee performance. This finding contradicts the results of previous studies (Dinc et al., 2016; Rhoades et al., 2001). Maula and Ratnawati (2021) confirm this finding that affective commitment has no significant effect on employee performance.

For knowledge to be seized and exploited, it must also be shared with others. Competitive advantage can only be attained if the employee is eager to seek knowledge. Knowledge sharing has been effectively applied in zakat institutions in Central Java. With their divestiture, zakat institution employees do not have a barrier to knowledge sharing; rather, they serve as a motivating force for enhancing efficiency. As a result of this study, zakat institutions in Central Java should make it easier to undertake knowledge sharing by planning or developing events and programs that promote knowledge sharing among employees at all times. The results of this study may be utilized as a guide for zakat institutions on how to manage and enhance employee performance from a variety of backgrounds, which is the theoretical contribution of this research. Companies must see achieving an organized varied workforce as essential to achieving peace inside the organizations. Management should continue to encourage equitable employment and opportunity for career progression based on gender, ethnicity educational, and functional inclusion (Olowookere & Abdulraheem, 2021). When a business incorporates diversity into

its management, it promotes prosperity and provides better solutions to handle a specific problem inside the firm (Ayega & Muathe, 2018). Any organization that wants to succeed should make sure that workforce diversity is considered in their organization.

## **Conclusion**

In conclusion, the more frequent the intensity of knowledge sharing in zakat institutions, the higher the quality of individual diversity interactions. Then, if there are the quality of the individual diversity interactions among employees is good, the performance of employees in zakat institutions will increase. The quality of individual diversity interactions can also encourage affective commitment and employee religiosity. Vice versa, good employee religiosity will also improve employee performance in zakat institutions.

## **Authors' Declaration**

The research design and model made by the author are very important contributions to this research. The researcher is responsible for the data, analysis, interpretation, and discussion of this research.

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