

Empirical Investigation of a Relationship between Islamic Work Ethics and Work Outcomes

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Abstract

This study was conducted to investigate the effect of Islamic work ethic on work outcomes (job satisfaction, organizational commitment and turnover intention and job involvement). The study used a sample of 100 employees with response rate of 79 percent. The respondents were the employees of two commercial banks of Pakistan. SPSS 16.0 was used to examine the relationship between variables. The empirical testing indicates that Islamic work ethics has positive effects on job satisfaction, organizational commitment and job involvement; whereas there is no significant evidence of the effect of Islamic work ethic on turnover intention.

Keywords: Islamic Work Ethics, Job Satisfaction, Organisational Commitment, Job Involvement

1. Introduction

The job involvement has been defined as ‘the degree to which one is cognitively preoccupied with, engaged in, and concerned with one’s present job’ (Paullay, Alliger, & Stone-Romero, 1994, p. 225). Researchers proved it empirically that job involvement increase employee’s performance as well as it helps to increase citizenship behaviour for example, increase in performance and increase in citizenship behaviour is positively associated with higher levels of job involvement, which reveals that higher the job involvement levels higher would be employees’ performance and citizenship behaviour. (Paul F. Rotenberry, 2007). Job involvement is a result of both personal and situational factors. Personally we can say the personal traits of employees as well as the situation influences job involvement. As it noted that job involvement is predicted by both situational as well as personality related factors. (Carmeli, 2005). There are some factors that affect employees’ performance and they have positive association with job involvement. Job involvement has positive relationship with team work, empowerment, customer focus and communication. (Ooi Keng Boon, 2007).

Many researchers have investigated the relationship among variables which affect organisational performance. It is proved by empirical evidences that job involvement have a positive association with customer satisfaction, profit and productivity. (Charles R. Emery, 2007). Employees who feel that organisation is family supportive tend to more job satisfaction and job involvement. For example, the employees for whom organisation was family supportive were more inclined towards more career competencies as result show more job satisfaction and organisational commitment. (Kong, 2012). Islamic HRM approach has positive effects on organisational commitment. Islamic approach in HRM and organisational commitment has significant relationship with each other. (Junaidah Hashim, 2010). The study was conducted to investigate relationship between Islamic work ethics and out comes (job satisfaction, organizational commitment and turnover intention). The relationship was examined between Islamic work ethics with job satisfaction, organisational commitment and turnover intentions, it was found that Islamic work ethics has positive effect on work outcomes (job satisfaction, organizational commitment). (Rokhman, 2010).

There is a very huge literature on Islamic work ethics and work outcomes. For example job involvement increase citizenship behaviour and employee’s performance. (Paul F. Rotenberry, 2007). There is also empirical evidence of Islamic work ethics that it has positive effect on work out comes (job satisfaction, organizational commitment). (Rokhman, 2010). In the literature we came to know that personal traits affect job involvement. (Paul F. Rotenberry, 2007). It means how much an employee involved in the job or how enthusiastic is he or she is to carry out his or her job. Personality traits are mostly developed as a result of values and beliefs of a person. The association of Islamic work ethics has been examined with work outcomes (job satisfaction, organizational commitment and turnover intention) (Paul F. Rotenberry, 2007). Where job involvement is missing, which is also a source of efficient work out come.

The future directions was given to work on other work out comes like job involvement. (Rokhman, 2010). So it can help us to come with more empirical evidences and fill the gap. Because economic theory tells that enthusiasm has a positive affect with work outcomes. So by investigating relationship between Islamic work ethics and job involvement we can come with results which can help decision makers to maintain efficiency.

The current study is beneficial for both practitioners as well as academics. For an academic perspective it can help students to understand relation between Islamic work ethics and job involvement being independent and dependent variables. The people who are associated with teaching of Islamic work ethics can also get benefit from it. From a practical point of view it can help practitioners specially managers to focus on more Islamic work ethics to maintain job involvement and achieve efficiency level.

2. Literature Review

2.1 Islamic work ethics

The Islamic work ethics has origin in Quran and teaching of Prophet Muhammad (S.A.W), The Almighty Allah says in the holy Quran ““To all are ranks according to their deeds” (Quran 6:132). Almighty Allah says in the holy Quran people deserves ranks according to their deeds, Quran instructs the faithful to be stuck to involvement and commitment for work rather than to show laziness in the work to reap its fruits accordingly. The Prophet Muhammad (S.A.W) preached “that no one eats better food than that which he eats out of his work” (Hadith). It reveals that Islamic ethics emphasizes very much for honesty to the work and most pure food is considered which a person avails as a result of hard work. The study was conducted on a sample of randomly 762 managers selected from both government and public sectors. Where Islamic work ethics and loyalty scales were tested, both were found positively correlated. It was also concluded that demographic and organisational variables had significant influence on managerial orientations (Abbas J. Ali A. A.-K., 2007). Islamic work ethics declares work as a source of happiness and it gives a worker who works honestly sense of pleasure after its completion. One who does not work hard is not dealt with good prestige in Islamic point of view as well he is considered a failure to carry out his or her responsibility. (Ali, 1998).

Islamic work ethics can play a vital role in both general and in terms of business perspective. Islamic principles and Islamic thoughts provide good road map towards competitive and fair business platform. As hard work and honesty is encouraged in Islam which can help Muslim society to make a huge progress in economic as well as in commerce fields. So as results Muslim society can compete easily in this competitive world. The instructions regarding work ethics are independent and can play a vital role for leading the market (Abbas J. Ali A. A., 2008). The relationship of Islamic work ethics was tested with job satisfaction and organisational commitment. The results reveal that there exists a positive relationship of work ethics with both organisational commitment and job satisfaction. Islamic work ethics was also tested as a moderator between organisational commitment and job satisfaction, it was concluded that being a moderator it plays an effective role between job satisfaction and organisational commitment (Yousef, 2001).

The relationship was investigated between Islamic work ethics and individualism among Arab college students in Israel. The participants were both male of female total 837 from an academic and technical college in northern Israel. High correlation was found between the Islamic work ethics and individualism. Technically college students scored comparatively lower than academic college students (Mahmood Khalil, 2009). The relationship was examined of work ethics with employee job satisfaction, motivation and organisational commitment and it was found that there exists a positive relationship between Islamic work ethics with job satisfaction, motivation and organisational commitment. So it was suggested that organisational both public and private can achieve efficiency level by adopting and emphasizing on Islamic work ethics (Ahmad, 2011).

2.2 Job Satisfaction

The job satisfaction has been defined as “a pleasurable or positive emotional state resulting from the appraisal of one’s job or job experience” (Jacob Eskildsen, 2010).we can say job satisfaction gives a person sense of pleasure as well as give him or her piece of mind. The investigation was done to check the effect of national culture on national job satisfaction. The results show that national culture affects national job satisfaction but not all aspects of job satisfaction (Jacob Eskildsen, 2010).the analysis was made on job satisfaction and it was concluded that skill mismatches does not affect job satisfaction but skill mismatch affect wages. Employees with higher education receive lower wages than their educational level and employees with lower education receive lower wages than their educational level (Wim Groot, 1999).

2.3 Organisational Commitment

To have well understanding of organisational commitment organisational commitment needs to be itself defined.....” the strength of an individual’s identification and involvement with a particular organisation, characterised by three factors.1.a strong belief and acceptance of organisation’s goals and values 2.a willingness to exert considerable effort on the behalf of organisation 3.a definite desire to maintain organisational membership” (Porter, 1974, p. 604). The relationship between Islamic work ethics and organisational commitment was examined and results show that Islamic work ethics are highly and significantly correlated with organisational commitment. It was suggested that both Muslims and non muslims can take benefit by applying Islamic work ethics approach and make their decisions effective (Hashim, 2010).The study was conduct to note the differences between police officers and civilians. It was concluded that there are only few differences in commitment level between police officers and civilian personnel, it shows that individuals followed their antecedents in commitment level the ways the individuals are managed, Which has been proved for two different groups of employees (Gavin Dick, 2001).

2.4 Turnover Intention

It's defined as "Intent to turnover constitutes the final cognitive step in the decision making process in which a nurse actively considers quitting and searching for alternative employment" (Jae San Park, 2009, p. 23). Organisational culture was examined with job satisfaction and turnover intention, results showed that there was positive relationship between rational and consensus culture. Whereas negative relationship was shown between consensus culture and turnover intention but there was a positive association between hierarchal culture and intention turnover (Jae San Park, 2009).the study was conducted to examine the affect of spiritual management tactics on intention turnover. It was found that has significant impact on intention turnover. So it reduces the employees' intention turnover and upgrade spirituality among them (Tzong-Ru Lee (Jiun-Shen), 2010).the different source fit measure and same source fit measure was studied and their impact was tested on intention turnover. It was found that different source fit measure was closely related to intention turnover than same source work fit (Annelies E.M. van Vianen, 2007).

The study was conducted to check the effect of Islamic work ethics on work out comes (job satisfaction, organizational commitment and turnover intention).Results showed that Islamic work ethics are positively related to job satisfaction and organisational commitment. But no effect of Islamic work ethics on turnover intention was found. It was suggest to work on the dimensions of work out comes which were not included in the study. (Rokhman, 2010). So the variable job involvement would be add to theoretical framework to examine its relationship with Islamic work ethics.

2.5 Hypotheses

- H1.** Islamic work ethics is positively related to job satisfaction.
- H2.** Islamic work ethics is positively related to organisational commitment.
- H3.** Islamic work ethics is positively related to job involvement.
- H4.** Islamic work ethics is negatively related to turnover intention.

3. Methodology

3.1 Sample

The method used in this study was previously adopted to investigate the impact of Islamic work ethics on work outcomes (Rokhman, 2010).Demographic characteristic of sample are given in table 1. A convenient sample of two commercial banks was selected in Islamabad Pakistan. Where 100 questionnaires were disturbed and response rate was 80%, there were 86.1% male who took part in the study other 13.9% were females, 1 questionnaire were removed due to missing of some data. So usable questionnaire obtained was 79 with a response rate of 79%. The ages of respondents were between 20 & 33 which comprise 100% of sample.

3.2 Theoretical Framework

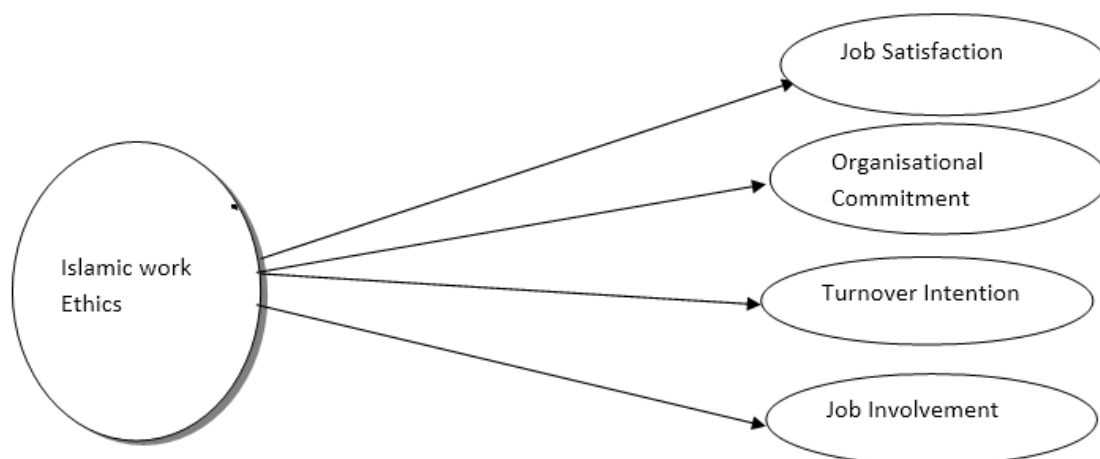


Table 1: Frequency distribution

| Characteristics | Frequency | Percentage |
|------------------------|-----------|------------|
| Gender | | |
| Male | 68 | 86.1% |
| Female | 11 | 13.9% |
| Organisation | | |
| Khushal Bank Limited | 36 | 45.6% |
| Muslim Commercial Bank | 43 | 54.4% |
| Age | | |
| Between 20&33 | 79 | 100% |

3.3 Measurement

Five point Likert scale were used to operationalize the study form the level of agreement strongly agree to strongly disagree. The questionnaire used for the Islamic work ethics, job satisfaction, turnover intention and organisational commitment was take after a deep literature review, which were previously used by Rokhman investigate the relationship of Islamic work ethics with work outcomes. (Rokhman, 2010). Sixteen items were used to measure the variable Islamic work ethics for example “dedication to work is a virtue”. Reliability of the scale was measured, the scale of Islamic work ethics found reliable with .805 which is above the minimum standard of reliability which is .70. Three items were used to measure the variable job satisfaction for example “I am satisfied with the kind of work I do in this job”. The scale used to measure job satisfaction met the minimum standard of reliability with Cronbach's Alpha .957 which is above the minimum standard of reliability. Three items were used to measure the variable organisational commitment “I talk up this organisation to my friends a great organisation to work for”. The scale were found reliable with .844. Three items were use to measure the turnover intention “I often think about quitting”. Cronbach's Alpha of scale of organisational turnover is .780 which is satisfactory to measure organisational turnover. The questionnaire used for job involvement was previously used by Kong (Kong, 2012). There were five items used to measure the job involvement for example “Most of my personal life goals are job-oriented” and five points Linkert scale were used. The scale of job involvement is reliable with Cronbach's Alpha .914 which is also above the minimum standard of reliability.

3.4 Analysis

I used the software SPSS 16 to analyse the data. Many statistical tests were conducted to reach at accurate results. Primarily I conducted descriptive statistics to describe the demographic characteristics of sample. Data were also passed thorough correlation test to investigate the association among variables. Finally I run regression to find cause and effect of variables as result I can conclude to casual relationship of Islamic work ethics and work outcomes where Islamic work ethics is independent variable and work outcomes are dependent variables. I regressed each independent variable separately with dependent variable one after another.

4. Results

The mean standard deviation and correlation of the variables is reported in the Table 2. The data were passed through correlation test to check association among variables being studied. in the results it was found that job satisfaction is positively associated with Islamic work ethics at significance level .07 where $r=.20$. Job Involvement was also found positively associated with Islamic work ethics where $r=.205$ at significance level 0.07. Organisational commitment have also positive association with Islamic work ethics where $r=.20$ and $p=0.07$. All three variable, job satisfaction, organisational commitment and job involvement are positively associated with Islamic work ethics which are in line with our expected hypothesis, whereas there were found no association between Islamic work ethics and turnover intention.

Table 2: Correlation matrix

| | IWE | JS | TI | JI | OC |
|-----|---------|---------|--------|--------|--------|
| IWE | (.805) | | | | |
| JS | .200*** | (.957) | | | |
| TI | .119 | .453** | (.780) | | |
| JI | .205*** | .409** | .189 | (.914) | |
| OC | .200*** | 1.000** | .453** | .409** | (.844) |

***, ** indicates significant at 1% and 5%

Independent variable was regressed separately with dependent variables. First dependent variable job satisfaction and independent variable Islamic work ethics was investigated which reveals that there is positive relationship between Islamic work ethics and job satisfaction, where R square is .04, Beta=.2 and $p=.077$. we can

say Islamic work ethics causes job satisfaction at 4%.therefore our first hypothesis that IWE is positively related with job satisfaction is accepted. Organisational commitment was regressed with Islamic work ethics and results shows that there is positive relationship at significance level .077, $R^2=.20$. It is evident with the results that IWE causes organisational commitment at 20%.which supports our hypothesis that IWE is positively associated with organisational commitment. Regression analysis also supports the hypothesis that there is positive relationship between IWE and job involvement at significance level .07 where Beta=.205 and $R^2=.042$.which reveals that IWE work ethics causes job involvement at 4.2%.No relationship were found between Islamic work ethics and turnover intention. Where our hypothesis that Islamic work ethics is negatively associated with turnover intention is rejected.

Table 3: Results of regression

| | Independent Variable Islamic Work ethics | | | | |
|----------------------------------|--|-------|------|----------------|--------|
| | Beta | T | Sig | R ² | Adj. R |
| Job satisfaction | .200 | 1.793 | .077 | .040 | .028 |
| Organisational commitment | .200 | 1.793 | .077 | .200 | .040 |
| Turnover Intention | .119 | 1.049 | .298 | .014 | .001 |
| Job Involvement | .205 | 1.838 | .070 | .042 | .030 |

4.2 Discussion

For the first and second hypothesis that there is positive relationship between Islamic work ethics with job satisfaction and organisational commitment is consistent with the findings noted by (Rokhman, 2010) reveals that IWE positively affect job satisfaction and organisational commitment. It was also found that Islamic work ethics is positively related to job involvement which is consistent with the previous results. (Hall, 1977) It was proved that work ethics is positively associated with job involvement, as the research was conducted in Islamic country where Islamic ethics prevails. There were found no significant relationship between Islamic work ethics and job involvement which is also consistent with the previous results (Rokhman, 2010).

5. Conclusions

This paper contributes for both academics as well as for practitioners. The teachers should emphasis on work ethics while teaching to business graduates to enhance Islamic work ethics among the students which will help them in the practical field to improve quality of work. Managers are also supposed take effective measures to focus on Islamic work ethics in the organisation which will improve the work quality among employees and would be beneficial for organisation.

Finally, some limitation of the study should be considered. The sample was convenient and included less number of organisations. That is why the study cannot be generalized. It is also the limitation of the study that it did not cover all demographic characteristics of sample. All variables were not examined to come with more convincing results. Future studies can be done by take a large sample and cover all demographic characterises. It is also suggested to conduct the study by investigating the Islamic work ethics with more work out comes like employees' performance and job stress.

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