

7th International Economics & Business Management Conference, 5th & 6th October 2015

The Effect of Islamic Work Ethics on Organizational Commitment

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Abstract

Islamic work ethics is a concept of ethics that is based on Islamic teaching and principle which rely on faith. Meanwhile, organizational commitment is related to employees' attachment and behaviour towards organization. A structural model was constructed to test the effects of Islamic work ethics on organizational commitment. 156 respondents from randomly selected SMEs that involved in retail trade textile service located in Selangor, Kuala Lumpur and Johor were given six-point Likert scale questionnaire. The study found that the structural model is acceptable in term of validity and reliability thus can be used to measure the relationship between two variables. The study also found that Islamic work ethics affects organizational commitment and its three dimensions; affective, normative and continuance commitment.

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Peer-reviewed under responsibility of Universiti Tenaga Nasional

Keywords: Islamic work ethics; organizational commitment; affective commitment; normative commitment; continuance commitment.

1. Introduction

Many organizations collapsed because of the ethical problem thus attracted many researches on ethical issues and the effectiveness of ethical theories. According to Sen (1987), there is a severe detachment between economic and ethics which cause one of the major deficiency of contemporary economic theory. Sharbatoghlie *et al.* (2013) stated that business ethics experienced many transformations to improve ethical behaviours and encouraging more transparency to avoid repetition of scandal and economic crisis. KPMG survey on fraud, bribery and corruption

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2013 in Malaysia shows that there is an increase by 16 percent of documented satisfactory ethical behaviours in organization as well as an increased in communicating ethics. However, experiencing unethical behaviour among respondents also increased even with guidelines of ethics were well documented and communicated.

Islamic work ethics are classified under divine command theory that uses religion as the foundation in identifying ethics. In Islamic study, right and wrong is clearly advocate through the word of Allah. Islamic perspective is more suitable in explaining ethics as it is comprehensive, moderate and realistic (al-Aidaros *et al.*, 2013). One of the main rules in doing business in Islam is honesty and fair in business transaction thus every businessman must be a person with strong ethical principles (Kaliffa, 2003). According to Suzuki (2014), Islam allows market's role and freedom in trade but at the same time control the freedom involving business and financial transaction based on number of prohibitions, ethics and norms.

Organization with high organizational commitment has a stable human capital and is at the competitive advantage. Sheldon (1971) stated that the development of organizational commitment takes time and progress over years. Employee readiness to work hard to improve their companies, the match between the company's and the employee's values, lack of motivation to leave, and loyalty toward or pride taken in working for their employers are the indicators of high organizational commitment (Maume, 2006).

The research on Islamic work ethics and organizational commitment previously, resulted on positive relationship between both variables. However, previous research is limited to few countries in Middle East and some in Malaysia. A research done in Malaysia is limited to banking industry in one area. Therefore this study focuses on the empirical evidence of the effect of Islamic work ethics on organizational commitment using structural model. The study seeks answer to the following research questions:

- RQ1. What is the effect of Islamic work ethics on organizational commitment?
- RQ2. What is the effect Islamic work ethics on affective commitment?
- RQ3. What is the effect Islamic work ethics on continuance commitment?
- RQ4. What is the effect Islamic work ethics on normative commitment?

2. Literature Review

2.1. Islamic Work Ethics

Islamic ethics is a principle of right and wrong which designate to demonstrate what human ought to do taught Quran and shown in the great life of Prophet Muhammad (Hashi, 2011). It views work as a ways to promote self-interest economically, socially and psychologically in order to sustain social prestige, to increase societal welfare and reaffirm faith (Ali and Al-Owaihian, 2008). Islam is a way of life that never takes apart every human activity from religion. Islamic law is based on four sources, in which two primary sources are the Quran and the Sunnah (examples set by Prophet Muhammad) while the other two are consensus of scholars (Ijmaa') and analogy (Qiyaas). Analogy is a derivation of a ruling of a new situation based on the analogy with a similar situation dealt with in Quran and/or hadith (Beekun and badawi, 2005). Sunnah in the other hand is the way of life shown by Prophet Muhammad that can be use as a model and icon for human being and a well known business. Ali and Al-Kazemi (2007) list down four issues that the Prophet had emphasized before; work as the highest form of worshipping Allah, work that are not perform in the best ability is not sanction, work must be for the benefits of others too as part of social dimension, and society can gain wealth and reasonable living standards by doing trade and business.

According to Al-Aidaros et al. (2013) Islamic work ethics is comprehensive, realistic and moderates. Ethics in islam is not only religious morality in certain acts but cover all facet of life either in physical, spiritual, moral or even in worldly form such as intellectual, emotional, individual and collective (Yaken, 2006). It also realistic as it considers the capabilities of human as Allah knows the strength and weaknesses of human (Al-Qaradawi, 1996). Finally, moderation is Islamic work ethics means a moderate approach in ethics compared to ultra-idealist who views human being as an angel and the ultra-realist that see human beings as an animal (Al-Banna, 1940). According to Al-Qaradawi (1985), Islam has a moderate view of this life compared to those who reject the reality of hereafter, or reject living in and developing this life (Al-Qaradawi, 1985).

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