

## **Islamic Work Ethics and Organizational Commitment: Evidence from Employees of Banking Institutions in Malaysia**

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### **ABSTRACT**

Current literatures show that study on work ethics is gaining popularity among researchers for a very obvious reason, namely the threat of moral hazards. Cases of corporate scandals and collapses provide evidence that moral misconducts among employees have contributed to the financial disaster of many companies. It is believed that there is a possible relationship between work ethics and organizational commitment, thus performance. This study would therefore attempt to investigate the Islamic Work Ethics (IWE) practices among the employees of banking institutions in Malaysia with specific focus given to the possible relationship between IWE variables and organizational commitment (OC). The findings of this study indicate that all IWE variables are positively and significantly related to organizational commitment.

*Keywords:* Accountability, effort, honesty, Islamic work ethics, shari'ah, teamwork

### **INTRODUCTION**

Since the major financial crisis in 1997-1998 that hit the Malaysian economy, the government has taken robust actions to build strong and solid fundamentals of financial and banking institutions .

A lot of policies and action have been implemented such as benchmarking to an international standard such as the Basel Accord, improvising the code of corporate governance, executing capital and financial market master plan, gradual liberalization, and leveraging the strength by encouraging the bank to merge with each other. These actions (just to name a few) are undeniably making the banking system in Malaysia vigilant and competitive in contributing

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to the growth and development of the country. For example, the total assets of commercial banks have increased by 44.6% from RM1.025 trillion in 2006 to RM1.483 trillion in 2010 (The Association of Banks in Malaysia, 2010). The number of banks in Malaysia is presented in Table 1.

Nevertheless, this growth and improvement is in a risky position if the ethics of the actors and players in this industry are at stake. As banking institutions are important and considered the backbone of the country's economy, it is important to ensure the work ethics of the staff both at the lower and higher levels remain genuine and sound. This is substantial so that fraud and unethical practices are not committed in the banking sectors. Players in the financial sectors are not safe from financial fraud and scandals, such as in the case of Lehman Brothers, Anglo Irish Bank, Bernard Madoff Investment, AIG and Meryill Linch. The scandals of Lehman Brothers for example, caused the US to acquire a sub-prime crisis that also affected the economy in many countries around the world.

Knowing this fact, it is crucial to understand the level of ethical practices of the employees of banking institutions

in Malaysia. This has prompted for the current study to examine the Islamic Work Ethics (IWE) of the bank's employees both in the Islamic and conventional banking systems. The study is considered significant as other types of ethics such as Protestant Work Ethics (PWE) have gained much attention among researchers, whereas IWE is still underexplored. Indeed, it is worth to discover this category of ethics in a real setting. The main objectives of this study are to explore the level of IWE practices among the bank employees and to test the relationship between IWE and organizational commitment.

The next section is organized in the following order. Section two provides an in-depth discussion on the concept of work and work ethics from an Islamic perspective. Section three presents the review of literature on the IWE dimensions and their relation to organizational commitment. Section four elaborates on the method and data of the study. Section five presents the results and discussions of the findings. The final section puts forth the conclusion and direction future research.

TABLE 1  
Type of Banks in Malaysia

Type of Banks	Total	Malaysian-controlled	Foreign-controlled
Commercial Banks	25	8	17
Islamic Banks	16	10	6
International Islamic Banks	5	0	5
Investment Banks	15	15	0
Total	61	33	28

(Source: MIDA 2012)

## WORK AND WORK ETHICS - AN ISLAMIC PERSPECTIVE

Workers are human capital of an organization. Having morally and ethically behaved workers in an organization will have a favorable impact on the organization itself. There is a genuine belief that Islam emphasizes on a creative and productive effort as a source of happiness and accomplishment. This is in line with what Allah promise us in the Quran: "...Allah promised you His forgiveness and bounties" (2:268). The verse implies that forgiveness and bounties are promised to those who put a strenuous effort in fulfilling their work responsibly in accordance to Allah's will. Instead, begging and living as a parasite on the labors of others are condemned by Islamic teaching. With this regards, the Prophet Muhammed (P.B.U.H) has preached that: "*No one eats better food than that which he eats out of his own labour*" (Bukhari, no. 1979). Islam perceives work as an *ibadah* (a religious duty) and *jihad* (cause of Allah). Prophet (P.B.U.H) has preached: "The honest, trustworthy merchant will be with the Prophets, siddeeqs and martyrs." (At-Tirmidhi, no. 1209).

Work is a dedicative effort striving to further self interest economically, socially and psychologically, to sustain social prestige, to advance societal welfare and reaffirm faith. In other words, work as a mean to safeguard the five essential human needs, namely their *din* (faith), their *nafs* (human self), *`aql* (intellect), their *nasl* (posterity) and their *mal* (wealth). Hence, it is important for human beings to pursue

whatever work is available whenever it is available subjected to the Will of Allah SWT as Allah SWT has decreed in the Quran: "... *disperse through the land and seek of the bounty of Allah*" (62:10).

The concept of work as an *ibadah* (religious duties) and *jihad* (striving for something) ascertains that the involvement and participation in economic activities (work) is not merely a means to sustain a thriving and healthy society but also a divine call. According to Ali (1988), the value of work in IWE is derived from the accompanying intentions rather than from the results of work. Thus, the most essential feature of work as an *ibadah* and *jihad* is *niyyah* (intention). In Islam, intention (*niyyah*) of every man's action must be ultimately for Allah SWT alone.

Hence, work must be conducted sincerely (*ikhlas*) for the sake of Allah's pleasures. This has been explained in the Qur'an: "*Say; verily I am commanded to serve Allah with sincere devotion*" (39:14). Sincere intention will ensure that the work effectively and efficiently follows the revealed guidance which in turn contributes to *al falah* (successful in this world and hereafter). In addition, Ali (1988, p.577) has described work as :

*"... an obligatory activity and a virtue in light of the needs of man and the necessity to establish equilibrium in one's individual and social life. Work enables man to be independent and is a source of self-respect, satisfaction and fulfillment. Success and progress*

*on the job depend on hard work and commitment to one's job. Commitment to works also involves a desire to improve community and societal welfare. Society would have fewer problems if each person were committed to his work and avoided unethical methods of wealth accumulation. Creative work and cooperation are not only a source of happiness but considered noble deeds too."*

The Islamic view on work is further explained in the concept of work ethics. Basically, the Islamic system comprises of three main fundamental teachings in which the first is *aqidah* or a strong belief in the Oneness of Allah; the second is *ibadah* or one's submission and obedience to Allah; while the third is *akhlaq*. This is indeed the Islamic ethical system that work ethics fall under (Beekun, 2004).

Basically, *akhlaq* refers to one's good behaviour, manner, attitude or values guided by the *Qur'an* and *Sunnah*. Hence, it is subjected to the evaluation of Allah SWT: "... verily the most honoured of you in the sight of Allah is the most righteous of you." (49:13). *Akhlaq* differs from the conventional view of "do no harm" because Islam argues that this can also imply that not to harm others may be neutral in the sense that one may not do any good either. Therefore, Imam Al- Ghazali had refined the view by recommending three ways of doing good so as to imply the true meaning of *akhlaq*.

First and foremost, one has to show beneficence (*ihsan*) to others. Second, one has to refrain from harming others. Lastly, one who harms others is considered irreligious and immoral. The three attributes are in conformity to Allah's revelation in the Qur'an: "*We sent yee not, but as a mercy for all creatures.*" (21:107). Islam uses several other terms to describe the concept of *akhlaq* such as *khayr* (goodness), *birr* (righteousness), *qist* (equity), '*adl* (justice), *haqiqah* (truth), *ma'ruf* (known and approved), and *taqwa* (piety). Pious actions are described as *salihat* and impious actions are described as *sayyiat* Abuznaid (2009). Islam also provides mankind with the most influential model to uphold *akhlaq* in every activity as stated in the Qur'an: "*We have indeed in the Apostle of Allah a beautiful pattern of (conduct) for anyone whose hope is in Allah and the Final Day, and who engages much in the praise of Allah*" (33:21).

While the term IWE refers to a set of moral principles that distinguishes what is right from what is wrong in the Islamic context (Beekun, 2004) and is originally based on the *Qur'an* and the *Sunnah* of the Prophet Muhammad (P.B.U.H) (Ali, 2005; Rizk, 2008). Hence, in this study it is suggested that IWE may be defined as a set of values and principles that guide individuals' rights and responsibilities at work based on Islamic teachings that follow doctrines in the Qur'an and Sunnah. In other words, the teaching of Islam emphasizes that it is the Islamic values that dominate behavior (work ethics) of an individual and

not the other way around. The following are examples of the Quranic verses and the Sunnah regarding the IWE:

- a. Allah says: “*O ye who believe! Fear Allah and be with those who are true (in word and deed)*” (9:119).
- b. Allah says: “*Allah commands justice, the doing of good ...*”(16:90).
- c. Allah says: “*Say; verily I am commanded to serve Allah with sincere devotion*” (39:14).
- d. Prophet (P.B.U.H) has preached: “The honest, trustworthy merchant will be with the Prophets, siddeeqs and martyrs.” (At-Tirmidhi, no. 1209)
- e. Prophet (P.B.U.H) advised: “*Allah loves that when anyone does a job, he does it perfectly.*” (Al-Bayhaqi, no. 4915)

### **ISLAMIC WORK ETHICS AND ORGANIZATIONAL COMMITMENT**

Organizational commitment refers to an employee’s belief in the organization’s goals and values, the desire to remain a member of the organization and loyalty to the organization (Mowday *et al.*, 1982). He will accept and see he is a member of the organization. Therefore, he will be dedicated to the organization at different degrees including the decision to stay or quit from the organization. This emotional attachment to the organization will reduce labor cost such as employee turnover, being careless, and non-commitment, and lack of interest and concern that will diminish the productivity of the worker thus, giving a severe impact to the company in the long

term (Allen & Meyer, 1990) while the pillars of IWE will be discussed based on the four primary concepts of IWE set by Ali & Falcon (1995) and Ali & al-Owaihah (2008). The four pillars/concepts are: effort, competition, transparency, and morally responsible conduct. In this study however, the pillars/concepts are refined into a broader perspectives as suggested by Norlela and Siti Khadijah (2010), namely effort, teamwork, accountability, and honesty.

### **EFFORT AND ORGANIZATIONAL COMMITMENT (OC)**

Effort in Islam is held in the highest regard. Islam encourages humans to acquire skills and technology, and highly praises those who strive in order to earn a living as stated in the Quran: “*Whoever works righteousness, man or woman and has faith verily to him will We give a new life, a life that is good and pure and We will bestow on such their reward according to the best of his action*”(16:97). Islam also demands its adherents to be efficient and proficient that is to do more than what is minimally required as mentioned by Allah: “*Verily Allah command that you establish justice and be efficient and proficient*”(16:90). Therefore, a good individual should always feel obliged to put in extra effort, time (not over time), and interest so that he would provide more than what is minimally required.

Islam emphasizes that the exerted effort of an individual should be linked to *itqan*, *istiqamah* and *tawakkal*. *Itqan* means knowledgeable and conscientiousness in all endeavors (Syed Othman *et.al.*, 1998).

Islam encourages all its adherents to acquire the necessary *ilm* (knowledge of things) before executing any action (work). The Prophet (P.B.U.H) advised: “*Whoever wish for the world need to have knowledge, whoever wish for the hereafter need to have knowledge, whoever wish for both need to have knowledge*” (Nik Mohamed Affandi, 2002) and narrated by Abu Hurairah, the Messenger of Allah said: “...when the power or authority comes in the hand of unfit persons, then wait for the Hour (Doomsday).” (Bukhari, no. 56)

Knowledge is not simply a case of “the what”, but is also the skill required to perform the task. *Itqan* also requires man’s effort to discover (*tadabbur*) Allah’s bounties. In this regards, the Prophet (P.B.U.H) propagated that: The Prophet Muhammad (peace be upon him) said: “Acquiring knowledge in (the) company (of others) for an hour in the night is better than spending the whole night in prayer.” (At-Tirmidhi, no.91)

Application of the acquired knowledge must be implemented with conscientiousness. Conscientiousness requires the presence of perseverance, passion and commitment in individual performance. Conscientiousness must be followed with continuous self evaluation (*muhasabah*) in order to correct the wrongs and to improve on the good actions as Allah has mentioned in the Quran: “*You are the best of peoples, evolved for mankind enjoining what is right and forbidding what is wrong*” (3:110). *Istiqamah* means consistency and passion for excellence. Islam admits excellence as a virtue and encourages its adherents to

excel in everything that they do. Prophet (P.B.U.H) advised: “*Allah loves that when anyone does a job, he does it perfectly.*” (Al-Bayhaqi, no. 4915)

Islam also demands its adherents to be efficient and proficient that is to do more than what is minimally required. Allah has decreed: “*Verily Allah command that you establish justice and be efficient and proficient*” (16:90). Therefore, a good Muslim will always feel obliged to put in extra effort, time (not over time), and interest so that he would provide more than what is minimally required.

Furthermore, *istiqamah* also requires the Muslims to be patient (*sabr*) while undertaking any task or job entrusted to them. Allah has decreed: “*O ye who believe! Persevere in patience and constancy; vie in such perseverance; strengthen each other; and fear Allah that ye may prosper*” (3:200). Patience has two aspects (Syed Othman et. al. 1998). *Firstly*, mental patience which resists the demands of desires and anger. Mental patience is required in controlling anger and greed for wealth. *Secondly*, bodily patience which is endurance of physical pain felt in performing devotional or non devotional acts. Hence, patience can be divided into three; *first*, patience in carrying commandments; *second*, patience in avoiding *maksiat*; and *last*, patience in facing difficulties and hardships. Consequently, patience is importantly required in work to face any disagreement, temptation of taking bribery and laziness.

*Tawakkal* means surrendering oneself to Allah the Almighty solely. This is indeed one’s ultimate effort after *itqan* and

*istiqamah*. Allah commands us: “*But on Allah put your trust if you have faith*”(5:23). However, the concept of *tawakkal* must be incorporated with *itqan* and *istiqamah* as well as supplication (*du'a*). Allah has decreed:

*“When My servants ask thee concerning Me, I am indeed close to them. I listen to the prayer of every suppliant when he calleth on Me. Let them also with a will listen to my call and believe in Me that they may walk in the right way”* (2:186).

Therefore, *tawakkal* is the essential final step of an effort. *Tawakkal* will guide man to accept virtuous or deficient consequences positively resulted from his endeavor. Hence the concept of *tawakkal* infuses the spirit of perseverance in all work which in turn ensures the excellent quality of one’s effort. Furthermore Allah promises to provide adequate bounties to he who surrenders himself to Allah:

*“... and if anyone puts his trust in Allah, sufficient is Allah for him. For Allah will surely accomplish His purpose. Verily for all things has Allah appointed a due portion”* (65:3).

Previous studies indicate that high levels of effort are assumed to be generated in the model of the high commitment work organization (Angle & Perry, 1981; Yousef, 2000; Mc Cook, 2002, Green, 2004; Kuean *et al.*, 2010). Mc Cook (2002) and Kuean

*et al.* (2010) agreed that organizational commitment theoretically should relate positively to effort because individuals who are more committed to their organization should be by nature of this commitment exert more effort. It is because employees who are committed to their organization will ensure the organization meets its goals.

Thus, more effort is required to achieve this. In addition, Kuean *et al.* (2010) suggested that the organization should pursue a reward strategy that links effort or productivity with pay and incentives in order to induce employees to input higher level of effort which in turn reflects the organizational commitment. Hence, the following hypothesis is derived:

H<sub>a</sub>: Employees’ effort is positively and significantly related to organizational commitment.

## TEAMWORK AND OC

Islam promotes teamwork thus employees can help each other to fulfill their needs in this world and the hereafter as stated in the Quran: “... and we raise some of them above others in ranks, so that some may command work from others ...” (43:32) and “And those in whose wealth is a recognized right for the (needy) who asks and him who is prevented (for some reason)” (70:24-25).

Competition in team work must be executed fairly, justly and honestly and can be realized through the implementation of the concept of *mu'awanah*, ‘*adl* and *syura*. *Mu'awanah* refers to cooperation among individuals to promote good and forbid evil

as Allah has stated in the Quran: "... *help ye one another in righteousness and piety, but help ye one another in sin and rancor. Fear Allah for Allah is strict in punishment*" (5:2).

Thus Islam encourages competition among man in preventing immoral action as well as inciting virtuous action in his work place. This task can be effectively and efficiently performed by imposing the spirit of *ukhuwwah* (brotherhood) as decreed by Allah in the Quran: "*The believers are but a single brotherhood. So make peace and reconciliation between your two contending brothers. And fear Allah that ye may receive mercy*" (49:10) and also notified by the Prophet (P.B.U.H): Narrated by Ma'rur, I saw Abu Dhar wearing a Burd (garment) and his slave too was wearing a Burd, so I said (to Abu Dhar), "If you take this (Burda of your slave) and wear it (along with yours), you will have a nice suit (costume) and you may give him another garment." Abu Dhar said, "There was a quarrel between me and another man whose mother was a non-Arab and I called her bad names. The man mentioned (complained about) me to the Prophet. The Prophet said, "Did you abuse so-and-so?" I said, "Yes" He said, "Did you call his mother bad names?" I said, "Yes". He said, "You still have the traits of (the Pre-Islamic period of) ignorance." I said. "(Do I still have ignorance) even now in my old age?" He said, "Yes, they (slaves or servants) are your brothers, and Allah has put them under your command. So the one under whose hand Allah has put his brother, should feed him of what he eats,

and give him dresses of what he wears, and should not ask him to do a thing beyond his capacity. And if at all he asks him to do a hard task, he should help him therein." (Bukhari, no.76).

Thus in Islam, competition among man is carried out without oppression and injustice and instead it employs the value of cooperation; while '*Adl* (justice) means the rendering of trust where it is due. Islam demands human beings to uphold justice in every action as decreed by Allah: "*Allah commands justice and the doing of good*" (16:90). In Islam justice is prevailed in promoting positive virtues like honesty, moderation and generosity as well as prohibiting evils like eliminating *risywah* (bribery), greed and extravagance. Thus Islam prohibits *zulm* that is the opposite of '*adl*. The Prophet (P.B.U.H) warned about doing *zulm*: "*Beware of injustice for injustice will be equivalent to darkness on the Day of judgment*" (Bukhari, no. 2447). '*Adl* is also significantly related to *ihsan* which refers to right action, goodness, charity and proficiency. Other meanings of *ihsan* can be extracted from the Sunnah whereby the Prophet (P.B.U.H) was asked: "... What al-Ihsan is? Upon this he (the Holy Prophet) said: (Al-Ihsan implies) that you fear Allah as if you are seeing Him, and though you see Him not, verily He is seeing you. He (the inquirer) said: You (have) told the truth." (Muslim, no. 6).

*Ihsan* will educate man to voluntarily sacrifice extra effort, time, and wealth as an addition to the compulsory requirement in rendering the rights or trust. In turn it

will enhance productivity. *Syura* (mutual consultation) refers to a collective mutual consultation and empowerment. Allah has mentioned in the Quran: *“Those who hearken to their Lord, and establish regular prayer, who conduct their affairs by mutual consultation, who spend out of what We bestow on them for sustenance...”* (42:38). Hence *syura* in team building refers to participative work force moulded in the spirit of oneness. For example, by sharing power such as power in decision making, people basically respect and trust one’s competency, strength and reliability.

This in turn enhances creativity, innovation and passion for improved quality and productivity (Syed Othman et. al. 2008). Furthermore it will strengthen and intensify the efforts and relationship among human beings in the team building. Allah loves the strong and the trusty as stated in the Quran: *“O my dear farther! Engage him on wages. Truly the best of men for you to employ is the (man) who is strong and trusty”* (28:26).

The concept of team and teamwork is increasingly important to productivity and employees’ organizational commitment in the workplace (Boon & Arumugam, 2006). Teamwork facilitates the meeting of affiliate needs within the workplace and has been directly connected to organizational commitment (Karia & Ahmad, 2000; Silos, 1999). They studied the impact of Empowerment and Teamwork (E&T) practices on 104 employees in five Malaysian public and private organizations which implemented some level of E&T practices. The results showed that an

organization which practiced some level of teamwork experienced an increase in employees’ organizational commitment. Meanwhile, Silos (1999) stated that the key to Japanese efficiency was in how the people worked together and he also suggested that teamwork would result in more commitment and involvement of employees within the organization.

Furthermore, participation in decision-making that was enhanced by teamwork is said to have had a significant positive effect on job satisfaction and commitment of employees (Sarata, 1984; Ascigil, n. d.). Kuean *et al.* (2010) found that teamwork had a positive relationship with organizational commitment if employees experienced a high level of participation opportunities in the job i.e. have a chance to have a say or influence on the decisions. Therefore, the following hypothesis is proposed:

H<sub>b</sub>: Employees’ teamwork is positively and significantly related to organizational commitment.

## HONESTY AND OC

Honesty could mean telling the truth even though it is difficult to do so (Norlela and Siti Khadijah , 2010). In other words, the person does not conceal anything that should be disclosed. If he is an accountant, he has to report all the transactions accurately according to the accounting steps and procedures in place (Atiyah, 1993).

The Almighty Allah had instructed us to be honest in any sort of dealings. Allah says: *“O ye who believe! Fear Allah*

*and be with those who are true (in word and deed)*” (9:119). In the same context, the Prophet (P.B.U.H) stated: Abdullah reported, the Messenger of Allah (P.B.U.H) said: “Truthfulness leads to righteousness and righteousness leads to Paradise. A man may speak the truth until he is recorded with Allah as truthful. Lying leads to wickedness and wickedness leads to the Fire. A man may tell lies until he is recorded with Allah as a liar.” (Muslim, no. 6308)

The Prophet (P.B.U.H) strongly warned that; “It is narrated on the authority of Abu Hurairah that the Messenger of Allah (may peace be upon him) happened to pass by a heap of eatables (corn). He thrust his hand in that (heap) and his fingers were moistened. He said to the owner of that heap of eatables (corn): What is this? He replied: Messenger of Allah, these have been drenched by rainfall. He (the Holy Prophet) remarked: Why did you not place this (the drenched part of the heap) over other eatables so that the people could see it? He who deceives is not of me (is not my follower). (Muslim, no. 183) Hence, whoever knows a defect in something is obliged to disclose it. At the same time, the Prophet (P.B.U.H) motivates the honest person by saying that; “The honest, trustworthy merchant will be with the Prophets, siddeeqs and martyrs.” (At-Tirmidhi, no. 1209).

Honesty and the ability to act with integrity lie not in the act of “never speaking a false word”, rather in humans choosing to “always speak words and perform acts that create safe, caring, and healthy spaces for human development” (Howatt, 2002).

Honesty also is the belief that one stands by his word as well as the belief that one is interested in the company’s welfare and will not take unexpected actions that will negatively impact the company (Wetzels, Ruyter & Birgele, 1998).

Without honesty and integrity an administrator cannot build trust. Without trust, a co-operative and collaborative relationship with the others cannot be attained (Scarnati, 1997). Trust is the catalyst that makes it possible for organizations to function. It is the bonding agent that holds personal and business relationships together. It manifests itself in the form of concrete deeds and actions. Trust breeds credibility, and credible people are believable. Previous studies have suggested that honesty has a positive influence on commitment (Anderson & Narus, 1984; Anderson & Weitz, 1989; Morgan & Hunt, 1994; Wetzels, *et al.*, 1998). Thus, with the above explanation and findings, the following hypothesis is proposed:

H<sub>c</sub>: Employees’ honesty is positively and significantly related to organizational commitment.

## ACCOUNTABILITY AND OC

Allah wants man to know whether his work (acts and deeds) might be good or evil. He wants him to ask himself if the work is good or evil, and if it is permissible or prohibited. Man ought to know himself and learn about his points of strength and points of weakness, so as to reach a balanced view, and not become conceited, because he was

successful in a certain domain or a certain stage, or become desperate, if he encounters a certain loss or failure. As Allah mentioned in the Holy Qur'an:

*“O you who believe! Be careful of (your duty to) Allah, and let every soul consider what it has sent on for the morrow, and be careful of (your duty to) Allah; surely Allah is Aware of what you do. And be not like those who forsook Allah, so He made them forsake their own souls: these it is that are the transgressors. Not alike are the inmates of the fire and the dwellers of the garden: the dwellers of the garden are they that are the achievers” (59:18-20).*

Accountability is frequently described as the means by which individuals and organizations report to a recognized authority (or authorities) and are held responsible for their actions (Ebrahim, 2005). Accountability exists when there is a relationship between one party and another. This view assumes that some individuals, small groups or organizations have certain rights to make demands over the conduct of another, as well as seek reasons for actions taken and the individual, or organization is answerable to a higher authority for the action taken and for handling the resources received (Hasan & Siti Nabiha, 2010).

This internal dimension of accountability is motivated by a “felt responsibility” as expressed through individual action and organizational mission. In other words,

accountability is trustworthiness. People are considered to be trustworthy when they behave in ways expected of them in the absence of surveillance. They do not merely comply with external forces, such as surveillance pressures, but have internalized the behaviors (Brockner, Siegel, Phyllis, Daly, Joseph, Martin, & Tyler, 1997).

A trustworthy person is a person who will keep the trust entrusted to him responsibly and faithfully. Allah says in the Qur'an:

*“Allah does command you to render back your trust to those to whom they are due; and when ye judge between man and man that ye judge with justice; verily how excellent is the teaching which He gives you for Allah is He who hearth and sees all things” (4:58). In another verse, Allah says: “If any of you deposits a thing on trust with another, the trustee should (faithfully) discharge his trust, and let him fear his Lord” (2:283).*

In this sense, every Muslim has an ‘account’ with *Allah*, in which all good and all bad actions are ‘recorded’; an account which will continue until death, for *Allah* shows all people their accounts on judgment day (4:62). The Messenger of Allah (P.B.U.H.) has mentioned self-accountability as: “The wise person is one who holds himself accountable and works for what comes after death. And the weak, impotent person is one whose self follows

its vain desires and he (simply) puts his hope in Allah". (At-Tirmidhi, no. 2459)

Fulfilling one's trust could mean fulfilling the rights of the person who gives the trust to you (Abdurrahman, 2005). In other words, as a trustee you should render the trust that had been given to you back to the owner. As far as trustworthiness in work is concerned, an individual worker should fulfil his obligations at the workplace to his best. If he is given a task to complete, he has to perform the task responsibly and accountably. He will exert his effort to the best as he believes that laziness and absenteeism are vice. He will always try to ensure that the task given is not overdue (Rice, 1999).

In other words, he will meet the deadlines of the task given to him. He will emphasize on excellence and good quality of work as he realizes that such attitudes are promoted. The Prophet (P.B.U.H) says: "*Allah likes that when someone does anything, it must be done perfectly well*" (Al-Bayhaqi, no. 4915)

The explanations above not only deal with personal accountability but also apply to all organizations. This means that organizations should comply with all the applicable laws and ethical standards, adhere to their mission, be ethical and protect the rights of their members. Furthermore, studies have also shown that trust in organizational authorities influences a variety of subordinates' work attitudes and behaviors. In general, employees are more supportive of or committed to authorities and the institutions that the authorities

represent, when trust is relatively high (Brockner et. al., 1997). With the above explanation, the following hypothesis is proposed:

H<sub>d</sub>: Employees' accountability is positively and significantly related to organizational commitment.

## METHOD AND DATA COLLECTION

This study employs a survey method whereby primary data are collected via a distribution of questionnaires. The population of this study comprises of bank employees who work in a commercial area in Klang Valley in Malaysia. A proper sampling technique is important in order to have a precise and unbiased sample that represents the whole population. In this study, simple random sampling is used to draw a total of 500 samples.

The employees of both banking systems (Islamic and conventional) are taken as the sample of this study as it is believed that IWE is universal in nature. Hence, it is applicable to everybody irrespective of the organization an individual works in. Due to this, no discrimination is imposed in categorizing and analyzing the employees from these two different systems.

The questionnaire was distributed to each of the selected sample via a personally-administered survey. Several sets of Likert-scale statements were posed to the sample to obtain their perspectives on the IWE practices. The respondents could indicate from the scale of 1 = Strongly Disagree up to 10 = Strongly Agree on the statements

that reflected their effort, teamwork, honesty and accountability, and the dimensions that made up IWE. The first variable (effort) is captured by asking the respondents their passion and commitment at work. The second variable (teamwork) is captured by examining the respondents' participation in the work force while the third variable (honesty) is captured by their integrity at work. The last variable (accountability) is measured by their commitment in fulfilling their responsibility and their willingness in being responsible for their actions.

Out of the total 500 distributed questionnaires, 383 (or 76.6 percent response rate) questionnaires were returned and used for analysis of this study. This favorable response could mainly be due to the direct approach by the researchers in collecting the data. The collected data were processed and analyzed using correlation to test the possible relationship between the dependent and independent variables under study.

## RESULTS AND DISCUSSION

The following sub-sections present the demographic profile of the respondents and discuss the analysis of the study's findings which comprised the practice of IWE among employees and the relationship between IWE variables and OC.

### *Demographic Profile of the Respondents*

Table 2 shows the main characteristics of the sample.

Many of the respondents (62 percent) are female employees and the majority of the respondents are Malay (80.7 percent).

Only a handful of them are Chinese and Indian (11.7 percent and 7.3 percent respectively). This could imply that many of the subordinates employees approached are Malays who do not involve in top management of the banks.

Generally, the respondents are considered young as 62.1 percent of them aged below 35 years old. As for the respondents' marital status, 68.2 percent of them are married while the other 29.7 percent are still single. As far as the respondents' religious background is concerned, most that responded are Muslims (80.7 percent) and very few are Christians (6.8 percent) and Hindus (8.9 percent).

With regards to educational level, many of the surveyed employees had either diplomas (39 percent) or bachelor's degree (24.1 percent), quite a significant number of them (28.3 percent) had completed Secondary school and the rest of them had professional certificate (6.3 percent) or post-graduate degrees (2.4 percent).

### *IWE Practices among Employees*

The respondents were assessed on their IWE practices by asking them to indicate their level of agreement to the statements relating to each of the IWE variables namely effort, teamwork, honesty and accountability. Table 3 displays the employees' mean scores on the IWE variables.

The mean analysis for each of the IWE variable indicated that the employees scored the highest in accountability (mean 8.93; SD 1.18), followed by honesty (mean 8.68; SD 1.29) and teamwork (mean 8.22; SD 1.31).

TABLE 2  
Demographic Profile of the Respondents

Profile	Frequency	Percentage
1. Gender		
Male	144	38
Female	239	62
2. Ethnic		
Malay	309	80.7
Chinese	45	11.7
Indian	28	7.3
Others	1	0.3
3. Age		
Under 25	49	12.8
25-35	189	49.3
36-45	110	28.7
46-55	31	8.1
Over 55	4	1.0
4. Religious		
Islam	309	80.7
Hinduism	34	8.9
Christianity	26	6.8
Buddhism	14	3.7
5. Education Level		
Secondary school	108	28.3
Certificate	24	6.3
Diploma	149	39.0
Bachelor's Degree	92	24.1
Master	8	2.1
PhD	1	0.3

TABLE 3  
Employees' Mean Scores on IWE Variables

Variable	Mean	Std Dev
Effort	7.94	1.25
Teamwork	8.22	1.31
Honesty	8.68	1.29
Accountability	8.93	1.18

They scored a bit low in effort (mean 7.94; 1.25). The highest mean on accountability could indicate that the employees behaved in ways as expected of them even in the absence of surveillance. The lowest mean on employees' effort on the other hand might imply their reluctance to do more than what they were minimally required to do. The overall scores nevertheless seemed favorable. Hence it can be concluded that the bank employees exhibited good IWE practices.

*Correlation Analysis*

Table 4 exhibits the correlation output for the relationship between IWE variables and organizational commitment (OC). By employing Spearman rho correlation, the results are displayed and analyzed in the following section.

The correlation output for effort indicated that it was significantly related to OC ( $r = .451, p < 0.001$ ). The positive sign of the coefficient indicated that OC

improved as employees' effort increased. This is particularly true as individuals who are committed to their organizations are generally those who exert more effort in their work (Kuen *et al.*, 2002). A p value of less than 0.05 indicated that there was enough statistical evidence to accept Hypothesis H<sub>a</sub> that "Employees' effort is positively and significantly related to organizational commitment".

In terms of employees' teamwork, its correlation output also indicated significant relation to OC ( $r = .656, p < 0.001$ ) and the sign of the coefficient was as hypothesized. This is justified as teamwork encourages employees to work together hence resulting in higher commitment and involvement of the employees within the organization. This finding was consistent with the earlier findings by Silos (1999) and Karia & Ahmad (2000). Thus it is concluded that Hypothesis H<sub>b</sub>: "Employees' teamwork is positively and significantly related to organizational commitment" is accepted.

TABLE 4  
Correlation among Variables

	Effort	Teamwork	Transparency	Accountability	OC	
Spearman's rho	Effort	1.000				
	Teamwork	.521**	1.000			
	Honesty	.620**	.582**	1.000		
	Accountability	.564**	.620**	.715**	1.000	
	OC	.451**	.656**	.605**	.607**	1.000
		.000	.000	.000	.000	.

\*\*Sig. (2-tailed) at .01 percent level

As far as employees' honesty is concerned, its correlation output ( $r = .605, p < 0.001$ ) indicated a significant relation to OC. This could imply that honest employees are committed employees of an organization. This finding is justified as earlier findings by Anderson *et al.* (1990) also indicated a similar result. The value of  $p < 0.05$  indicated that there was enough statistical evidence to accept Hypothesis  $H_c$ : "Employees' honesty is positively and significantly related to organizational commitment".

Correlation output for accountability ( $r = .607, p < 0.001$ ) showed similar findings with the other IWE variables, indicating that there was also a significant relation between accountability and OC. In fact, the value of  $r$  for accountability showed the highest as compared to the other variables. This implies that accountability of the employees is the most significant element of OC. This finding is consistent with the earlier finding of Brokner *et al.* (1997) which suggested that highly trustworthy employees had a high commitment to their organization. The value of  $p < 0.05$  indicated that there was enough statistical evidence to accept Hypothesis  $H_d$ : "Employees' accountability is positively and significantly related to organizational commitment".

In sum, it can be concluded that all the IWE variables had a positive and significant relationship with OC. It may thus be implied that commitment of employees in their organization is associated with their effort, teamwork, honesty and accountability. Consistent with earlier findings, committed

employees are those who work efficiently and effectively which will benefit the organization both in the short and the long run. They are those who always put extra effort to complete their tasks even without surveillance. In many instances, these employees are dedicated and responsible employees who are willing to be accountable for what they are doing. More importantly, the awareness on work as *ibadah* could further motivate the Muslims in particular to work hard. The findings of this study have practical implications for administrators and managers who want to improve staff commitment and further increase their staff's performance in the organization

## CONCLUSION

The main purpose of this study was to investigate Islamic Work Ethics (IWE) practices among employees of banking institutions in Malaysia with specific focus being given to the possible relationship between IWE variables with organizational commitment (OC). Previous literature indicated that effort, teamwork, honesty and accountability contributed significantly to OC. These findings of the study indicated that employees of banking institutions in Malaysia exhibited a favorable practice of IWE. It was also found that all the IWE variables had a positive and significant relationship to OC. This indicated that commitment of employees in their organization was influenced by their effort, teamwork, honesty and accountability. The findings of this study could imply that the exerted effort of the employees, their spirit

of teamwork, their truthfulness and their self-reliance in the absence of surveillance are significant elements of organizational commitment.

However, there are some limitations that can be considered for future research. This study was only limited to banks in the Klang Valley, thus a larger sample can be used with more industries (non-financial institutions) for future study. This study also did not intend to compare the level of the IWE between the employees of the Islamic and conventional banking systems.

Thus, it would be interesting to examine if the IWE of bank employees in Islamic banks is higher than those in the conventional banking sector. Apart from that, a comparative study of the IWE between Muslim and non-Muslim employees who work in the Islamic banks can be conducted to gather information on whether the environment and surrounding of working in an Islamic bank influence non-Muslims to adopt IWE. Finally, a comparison between IWE and Protestant Work Ethics (PWE) practices can also be carried out.

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