Impact of Islamic Work Ethics on Organizational Commitment: Mediating Role of Job Satisfaction

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Abstract

The study focuses on the impact of Islamic Work Ethics (IWE) on Organizational Commitment (OC) and Job Satisfaction (JS). It also tries to find out the intervening role of Job Satisfaction on the relationship between Islamic Work Ethics and Organizational Commitment. Data was collected from 311 faculty members of various government colleges/universities situated in Rawalpindi, Pakistan by using non probability convenience sampling method. Statistical tests were conducted by using AMOS and SPSS. The results show that there is a positive significant relationship between Islamic Work Ethics, Job Satisfaction and Organizational Commitment. The results also show that Job Satisfaction mediates the relationship between Islamic Work Ethics and Organizational Commitment. Future research recommendation and implications are discussed in the conclusion.

Keywords: Islamic Work Ethics, Job Satisfaction, Organizational Commitment, Mediation.

KAUJIE Classification: H54, M84
JEL Classification: M12, M5

1. Introduction

Ethics are the most important facet of an organization because of the vital role they play in performance of employees and the organization. The term ‘ethics’ derived from the Greek word ἠθικός (ἡθικός), means moral character, custom and habit. Sometimes, this term is also known as moral philosophy, ethical theory, moral theory and philosophical ethics, which as a whole is a branch of philosophy that explains the concept of good or bad human conduct.

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Work Ethics induce employees to be highly involved in their jobs (Randall and Cote, 1991; Fodor, 1990). McClelland (1961) introduced and applied Protestant Work Ethics (PWE) theory into psychology. PWE is based on the concepts in Christianity and that is why this model follows Christianity’s rules and regulations. Simon (2008) described that Islam and Christianity both are different in ideology because Islam is based on the Holy Qur’ān and Hadīth while Christianity today is based on the modified Bible. Hence, PWE model is not effective and applicable in Islamic societies (Rokhman, 2010). Yousef (2001) and Ali (1988) proposed Islamic Work Ethics (IWE). After that, Muslim researchers started work on the IWE because Islam has its own political, economic, social and value systems.

The present study is aimed at examining the relationships between IWE and job attitudes i.e. job satisfaction and organizational commitment in respect of educational institutions in Pakistan. The study also examines the mediating role of job satisfaction in the relationship between IWE and organizational commitment. Up to our knowledge, this relationship has not yet been tested in the prevalent circumstances. This study fills the gap especially in the Pakistani context.

2. Review of Literature

2.1 Islamic Work Ethics (IWE)

The Divine sources of Qur’ān and Sunnah enjoin the best of ethics in socio-economic life. “You are the best of peoples, evolved for mankind, enjoining what is right, forbidding what is wrong, and believing in ALLAH” (Qur’ān 3: 110). “And let there be from you a group inviting to all to that is good (khār), enjoining what is right (ma‘rūf) and forbidding what is wrong (munkar)” (Qur’ān 3:104). IWE are comprehensive and provide guidance about effort, hard work, commitment, tolerance, ability, personal sacrifice, support to colleagues, determination, flexibility, loyalty, reputation, trust in subordinates for the workplace and all these factors are important for the organization because without these factors organizations cannot attain their goals and objectives properly.

The researchers have studied the IWE during past two decades in various cultural environments. The connection of work ethics with job satisfaction, organizational commitment, and other organization related variables have obtained huge attention in the literature (for instance: Putti et al., 1989; Elizur et al., 1991; Oliver, 1990; Brief and Aldag, 1975; Blood, 1969; Brenner and Beutell, 1986; Jones, 1997; Rajamanickam and Furnham, 1992; Abboushi, 1990).
Arslan (2001) conducted a study using PWE values among Muslim Turkish managers, Protestant British managers and Catholic Irish managers; the outcomes indicated that PWE had higher values among the Protestant British managers and very low in Muslim Turkish managers. The study by Arslan also found that PWE was not reliable for the Catholic Irish managers. PWE is not relevant or effective for those countries and areas where Islam is the belief of common people (Rokhman, 2010). According to Simon (2008), after the non-relevance of PWE for the Muslims Turkish managers, Ali (1988) and Yousef (2001) proposed the IWE. Notwithstanding, Muslims researchers conducted work on the IWE also because Islam has its own political, economic and social systems.

2.2 Organizational Commitment

Allen & Meyer (1990) proposed three kinds of commitment such as normative commitment, affective commitment and continuance commitment. According to Bolon (1993), normative commitment is an important concept of organizational commitment due to being related to the sense of responsibility towards the organization on account of which the workers can properly recognize their obligations and work, depending upon their ability.

According to the Morrow (1993) the affective commitment is also known as a work related behaviour and attitude with positive senses towards the business or organization. Affective commitment provides identification to the individuals because employees work in different organizations and workers are emotionally attached with the organization. That is why, affective commitment provided recognition to the employees about their organization (Sheldon, 1971).

Continuance commitment is the second dimension of the organizational commitment which provides information that employees stay at the organization for some non-transferable investment containing some facets which are effective for the employees during the job and also after the job, such as associations with other workers, retirement and matters which are special to the business or organization (Reichers, 1985).
2.3 Job Satisfaction

Job satisfaction (JS) is described as the degree to which employees have satisfaction (liking) or dissatisfaction (disliking) with regard to their work (Spector, 1997). Job satisfaction is an important factor of the organization which plays crucial role in the performance of the organization as well as that of the individual employees. It increases the efficiency of the organization and its workers and has positive effect on the organization and its workers; and hence job dissatisfaction has negative impact on the organization and its employees (Locke, 1976).

2.4 Islamic Work Ethics and Organizational Commitment

IWE have positive and significant impact on Organizational Commitment (OC) while there is high negative association between OC and turnover intention of employees (Marri et al., 2012). According to Sadozai et al., (2013) the IWE moderated the relationship between OC and turnover intention and also had significant positive relationship with OC. Yousef (2001) found that IWE directly impact both JS and OC. According to Hayati and Caniago (2012) IWE contain high impact on intrinsic motivation and OC and also have substantial effect on JS and job performance.

The effect of JS on OC can be mediated by fair or unfair treatment and other organizational factors of the employees which may cause satisfaction or dissatisfaction among them (Sharma, Borna and Stearns, 2009). The satisfaction level of the human beings with regard to fairness can be explained by the Equity theory (Locke, cited in Robbins, 2003). Based on Equity theory, a satisfaction level of employees is dependent on the level of fairness received by them in certain situations. Equity theory calls for a fair balance to be struck between an employee’s input (Skill Level, Enthusiasm, Tolerance, Hard Work and so on) and employee’s outcome (Benefits, Salary, Intangibles such as Recognition and so on).

Similarly, IWE explores the knowledge that if these factors are implemented properly in the workplace, the employees will be more comfortable and satisfied; and if employees of the organization are satisfied, they will be more committed with their organization. The knowledge of IWE is acquired from the Holy Qur’an and Hadith. The Holy Qur’an says that “Surely, Allah commands you to entrust the belongings to those who are worthy of them; and when you judge matters among people, give judgment with justice; what an excellent advice Allah gives you! Surely, Allah is All-Hearing, All-Seeing” (Qur’an 4:58). Imam Ahmad bin Hanbal says about this verse of surah al-Nisâ that it covers all
matters which are related to rights of Allah (Prayer, Zakat, Fasting and so on) and rights of human beings (rights of parents, rights of brothers and sisters, rights of husband and wife and so on). The verse also explains about the organisation behaviour that employees should be hired in the organization according to their ability. If workers are hired and deputed according to their abilities, they will feel comfort and satisfaction with their job. Hence, they will be committed with their organization. In the light of this verse job is a trust and this trust should be given to those human beings who are capable for this ability.

Islamic work ethics play an important role in increasing the commitment level of employees at work place. The association between organizational commitment and work ethics both have obtained substantial attention in the literature on commitment (Yousef, 2001). The organizational commitment is also known as psychological condition that strongly connects the employees toward the organization (Allen & Meyer, 1990). Mowday, Porter, and Steers (1982) indicated that organizational commitment is a relative power of the employees’ recognition and attachment in a specific organization. Different people have different values, norms, culture and customs. As organizations are run with the employees’ values, they are considered very important part of the organizations. Hence, it is a key responsibility of the organization to provide all protection to their employees so that they could stay with the organization for a longer time (Arumugam and Boon, 2006). Commitment is an expression of the employees’ personal identity and it reveals the principles of the value of the individuals. Therefore, following hypothesis is developed for IWE and OC.

**H1:** The Islamic Work Ethics have significance effect on the Organizational Commitment.

### 2.5 Islamic Work Ethics and Job Satisfaction

Sadozai *et al.*, (2013) conducted a study on the mediating role of intrinsic motivation between IWE and employee’s JS. The research explored three direct effects and one mediating effect. All direct effects have a significant impact with each variable, but the mediating variable indicates partial mediation. Yousef (2001) carried out a research on IWE as moderator between JS and OC in various cultural backgrounds. The study found that IWE impacts both OC and SJ and moderates the relationship between these two variables. It further illustrated that national culture did not moderate the relationship between IWE and both JS and OC. Sadozai, *et al.*, (2013) did a study on mediating role of intrinsic motivation connecting IWE and JS. The research looked at three direct relationships and one
mediating relationship. All direct relationships were significant while the mediating variable pointed out the partial impact. Haroon et al., (2012) studied the relationship between IWE and JS in Healthcare sector of Pakistan. The result of the study examined that IWE have significant direct and positive impact on IWE and JS. Maarri et al., (2012) did a research on the effect of IWE on JS and OC involving agriculture sector of Pakistan. The practical finding of the research was that IWE had positive effect on the both JS and OC. Outcomes also showed strong positive association between JS and OC. The empirical result of the study by Rokhman (2010) examined that IWE has strong positive impact on both SJ and OC while IWE do not have significant impact on turnover intention.

The literature on job satisfaction is available since 1930 (Brayfield and Rothe, 1951; Hoppock, 1935; Lcoke explored 3350 research papers in 1976, Cranny et al found 5500 research studies in 1992. In 1996, the number of studies provided by Lcoke was 6759). Nowadays, job satisfaction is one of the most essential variables used in behavioural and business studies. It is not only studied in the Western countries, but also being used in the Pakistan; for example Ramay and Marii (2012); Riaz and Ramay (2010); Rehman, Haroon and Zaman (2012); Marri, Sadozai, Zaman, and Ramay (2012).

Job satisfaction describes the feelings (Robin, 2005; Arches, 1991), behaviour, attitude (Lcoke, 1976; Davis, 1985), emotional response (Spector, 1997), and positive responses towards supervision, job itself, pay and working atmosphere (Tziner and Vardi, 1984; Wanous and Lawler, 1972). Job satisfaction is categorized into two parts such as extrinsic satisfaction and intrinsic satisfaction (Rose, 2001). Qualitative features of work were previously described such as skills required for performing supervision and work, autonomy and responsibility etc; but now quantitative aspects of work are being used such as bounces and tangible reward, working environment. Therefore, following hypothesis is developed for IWE and JS.

**H2:** The Islamic work ethics have significant effect on the Job Satisfaction.

### 2.6 Job Satisfaction and Organizational Commitment

Favourable work outcomes such as adaptability, performance and job satisfaction are positively related to organisational commitment (Hunt, Chonko & Wood 1985; Angle & Perry 1981). It has been found that satisfied employees have a tendency to be committed to the organization;
they are more likely to reach at work on time, engage in the behaviour that helps organizations and perform the work better (Aamodt, 2007).

Kotze and Roodt (2005) and Riggio (2009) found strong relationship between job satisfaction, employee’s commitment and retention. Organizational commitment is affected by factors such as the variety and type of work, responsibility and level of participation in job-related work, autonomy at work, as well as opportunities for advancement and career development in the company. Given this relationship, the following hypothesis is developed for JS and OC.

**H3:** Job Satisfaction has significant effect on the Organizational Commitment.

### 2.7 Job Satisfaction as a Mediator

Job Satisfaction has been widely used by researchers as a mediator. Masoud and Sajjad (2013) described a significant association among job performance and job satisfaction. Further, JS partly mediates the association between job performance and involvement management. Biswas and Bhatnagar (2013) discussed that job involvement and job satisfaction are important as mediators in spreading the influence of the predictor variables to the criterion variables.

Gunjan and Feza (2012) indicated about their findings that job satisfaction is a strong mediator between organizational commitment and job related factors. Darwish (2002) explored that job satisfaction mediates effective commitment and job satisfaction. So, job satisfaction has been used as mediator in various studies and therefore, it is being used as a mediator in this research as well. When the employees are satisfied with the organization, they will be more committed with their organization. Therefore, following hypothesis is developed for mediation effects.

**H4:** Job Satisfaction mediates the relationships between IWE and Organisational Commitment (OC).
3. Materials and Methods

Data for the present study was collected from the faculty working in government colleges located in District Rawalpindi in Pakistan through a structured questionnaire. Convenience sampling technique was used for data collection. Islamic Work Ethics were measured by using scale developed by Ali (1992) having 17 items on 5 point likert scale - 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree. The reliability using Cronabach’s alpha of the items of IWE was 0.85. This scale has been used by many researchers like Yousef, (2000); Rokhman, (2010); Rehman, Fakhar, and Haroon, (2012).

Job Satisfaction was measured using Minnesota Satisfaction Questionnaire (MSQ) scale developed by Lofquist, Weiss, England and Dawis (1967). The scale has 20 items for measuring the satisfaction level of the workers on 5 point likert scale. This scale has been used by different researchers such as Yousef (2000), Weiss, England, Dawis and Lofquist (1967). The reliability coefficient Cronabach’s alpha of the items of JS was 0.83.

Organizational Commitment was measured by using 09 items scale developed by Mowday, Porter and Steers (1979) on 5 point likert scales. The reliability and Cronabach’s alpha of the items of OC was 0.78.

Out of total 400 questionnaires distributed among the faculty members, 311 completed questionnaires were received. Out of 311, 181 respondents (58.2 percent) were male and 130 (41.8 percent) were female. In age category, 20 respondents (6.4% of the sample) were in the age group of below 25 years, 186 respondents (59.8 percent) were in the age group of 25-40 years while 88 respondents (28.3 percent of the sample) were in the age group of above 40 years. In education level, the graduate percentage and number of employees were 20 and 6.4 percent. Number of respondents whose education level was Master is 204 (65.6 percent), those
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with MS/M.Phil level education is 87 (28 in percent). All statistical tests were conducted by using SPSS and AMOS.

4. Results and Analysis

<table>
<thead>
<tr>
<th>Table 1: Correlation Matrix</th>
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<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Islamic Work Ethics</td>
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<tr>
<td>Organizational Commitment</td>
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<tr>
<td>Job Satisfaction</td>
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</tbody>
</table>

*** Shows significant relationships between variables at p < 0.01 level (2-tailed)

Table 1 represents correlation between variables. All variables are positively associated with each other.

<table>
<thead>
<tr>
<th>Table 2: Linear Regression (Direct Relationships)</th>
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<tbody>
<tr>
<td>Models</td>
</tr>
<tr>
<td>Model 1 Organizational Commitment</td>
</tr>
<tr>
<td>Islamic Work Ethics</td>
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<tr>
<td>Model 2 Job Satisfaction</td>
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</tbody>
</table>

*** Shows significant relationships between variables at p < 0.01 level (2-tailed)

Table 2 represents the results of regression analysis to test the direct effect of variables. The consequences have been explored as strongly significant as p value of regression coefficient ($\beta = 0.37$, $p < 0.001$) which explains that one unit increase in the IWE enhances 0.37 unit in the OC in the education sector in District Rawalpindi. The value of the coefficient of determination (R squared = 0.13) describes that 13 percent variation exists between IWE and OC at the place of work in education department of District Rawalpindi. The t value at $p < 0.001$ provided information that the relationships between IWE and OC at the place of work in the education sector were highly positive and significant (Sobel, 1982). Therefore, hypothesis-1 is accepted.

The results further revealed significant positive relationship between IWE and JS. Regression coefficient in this regard ($\beta = 0.47$, $p < 0.001$) explained that there was 0.47 unit increase in the JS with one unit increased in the IWE in the education sector in the District Rawalpindi.
The value of the coefficient of determination (R squared = 0.23,) describes that 23 percent variation exists between IWE and JS at the place of work in education department of district Rawalpindi. Therefore, hypothesis-2 is accepted.

The results further revealed strong significant relationship between JS and OC. The research consequences have explored strongly significant value of regression coefficient (β = 0.73, p < 0.001) which explained that 0.73 unit enhancement in the OC with one unit’s increase in the JS in the education sector in the area of study. The value of the coefficient of determination (R squared = 0.54) described that 54 percent significant variation exists between JS and OC at the place of work. The research outcomes indicated that the JS enhances the OC. Therefore hypothesis-3 is also accepted.

**Mediation Analysis**

Table 3 shows mediation role of JS on the relationship between IWE and OC. To test this hypothesis the method proposed by Barron & Kenny (1986) was used. Hierarchal regression analysis was conducted to test the hypothesis. In step -1 the direct relationships of IWE with OC was tested. In step-2 direct effect of IWE and JS was tested. In step-3 the direct relationship between JS and OC was tested. In step-4 the relationship of IWE (Independent variable) with OC (dependent variable) through JS (Mediating variable) was tested.

<table>
<thead>
<tr>
<th>Variables</th>
<th>β</th>
<th>R^2</th>
<th>ΔR^2</th>
<th>t_value</th>
<th>p_value</th>
<th>Fvalue</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1 Organizational Commitment</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Islamic Work Ethics</td>
<td>0.37</td>
<td>0.13</td>
<td>-</td>
<td>7.01</td>
<td>0.00</td>
<td>49.14***</td>
</tr>
<tr>
<td><strong>Step 2 Job Satisfaction</strong></td>
<td></td>
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</tr>
<tr>
<td>Islamic Work Ethics</td>
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<td>0.23</td>
<td>-</td>
<td>9.55</td>
<td>0.00</td>
<td>91.18***</td>
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<tr>
<td><strong>Step 3 Organizational Commitment</strong></td>
<td></td>
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<tr>
<td>Job Satisfaction</td>
<td>0.73</td>
<td>0.54</td>
<td>-</td>
<td>19.14</td>
<td>0.00</td>
<td>366.41***</td>
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<tr>
<td><strong>Step 4 Organizational Commitment</strong></td>
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<tr>
<td>Job Satisfaction</td>
<td>0.72</td>
<td></td>
<td></td>
<td>16.53</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>Islamic Work Ethics</td>
<td>0.02</td>
<td>0.54</td>
<td>0.41</td>
<td>0.55</td>
<td>0.58</td>
<td>182.95***</td>
</tr>
</tbody>
</table>

**Notes:** Shows significant relationships between variables at p < 0.001 level.
**Mediation Role of JS in the relationships of IWE and OC**

Table-3 presented the relationship between IWE and OC and Job Satisfaction as mediators. When main effect of Islamic Work Ethics was checked with Organizational Commitment, the result showed that Islamic Work Ethics significantly predicted organizational commitment with $\beta = 0.37$ ($p < 0.01$).

The results revealed that when mediating variable job satisfaction was entered into the equation the effect of Islamic Work Ethics on Organizational Commitment was reduced to $\beta = 0.02$, ($p <0.01$). Therefore, in the presence of JS, regression coefficient value of IWE with OC, IWE has become insignificant ($\beta = 0.02, p > 0.05$) which indicates the full mediation of JS. The strongly significant value of regression coefficient ($\beta = 0.72, p < 0.01$) explained 0.72 unit enhancement in the OC with one unit’s increase in the JS in the education department of District Rawalpindi. Therefore, hypothesis 4 is accepted.

The research outcomes show that Islamic work ethics enhance the OC, provide information about the good work, behaviour and attitude, and also differentiate good and bad workers. IWE are based on the Holy Quran and Sunnah of the holy Prophet (pbuh). So the research hypothesis (H4) is also confirmed that “the JS mediates the relationship between IWE and OC”.

**5. Conclusion and Implications**

The aim of this research is to explore IWE’s link to OC and JS. Findings imply that any organization can perform effectively and efficiently its work by adopting an ethical framework based on Islamic values which helps and guides the people of the organization in undertaking their work properly. It explores that the effect of IWE on the OC and JS is significant and positive. The research obtained various outcomes that IWE not only affects directly the OC and JS, but also indirectly through the mediating effect of JS. Different Islamic researchers such as Ali and Al-Kasemi (2007) described that Islamic work ethics are important and play crucial role for the success and development of the Muslim regions and their organizations.

This study filled the gap especially in the context of Pakistan and might be helpful for the managers of the organizations who may build and strengthen their ability to assess workers’ attitude and behaviour that they are loyal and satisfied with their work. If employees are satisfied with their work, it will improve the organizational performance along with the employees’ performance having positive and significant effect on the organization.
IWE, OC and JS are vital components for any organization and without the strength of these elements organizations cannot be run effectively and efficiently. The practical evidence of this research should help to increase loyalty of the employees with organization, by enhancing their satisfaction level about their work which ultimately leads to lower turnover intention.

5.1 Limitations of the Research

The research has several limitations for the generalization of the outcomes. The sample was acquired from the public sector while similar model with the sample from private sector organizations may be obtained for extending the generalizability of the research. The sample size consisted of 311 respondents in education sector only; however with large sample size, it can be extended in the areas such as banking sector, agriculture sector, health department, telecommunication area, manufacturing and services sector. Future studies may be conducted to explore the effects of the IWE on the job insecurity, job stress, favouritism, organizational politics and turnover intentions through the Job Satisfaction and organizational culture.
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