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Islamic Work Ethic: The Role of Intrinsic Motivation, Job Satisfaction, Organizational Commitment and Job Performance

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Abstract

This study further investigate the influence of Islamic work ethic on intrinsic motivation, job satisfaction, organizational commitment and job performance. It uses a sample of 149 employees of Islamic banking in Bandar Lampung in Indonesia. Empirical results show that the Islamic work ethic greater effect on intrinsic motivation and organizational commitment than their effects on job satisfaction and job performance. Furthermore, empirical results suggest job satisfaction and intrinsic motivation moderates the relationship of the Islamic work ethic on organizational commitment and job performance. Implication and limitations are discussed.

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1. Introduction

Islamic work ethics (IWE) constitutes Islam's expectations with respect to one's behavior at work which includes his or her effort, dedication, cooperation, responsibility, social relations and creativity. Essentially, when one has a close relationship with God, one's attitudes and behaviors would tend to be consistent with the rules and stipulations of the religion (Rahman *et al.* 2006). Work ethic, in particular, is

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believed to reflect an individual's attitudes towards various aspects of work, including preference for activity and involvement, attitudes toward monetary and non-monetary rewards, and the desire for upward career mobility (Cherrington (1980) in Yousef (2001)).

Rizk (2008) states that within the Holy Qur'an and other aspects of Shari'ah, there are much with to construct an authentic Islamic approach to ethics. Engagement in economic activities is an obligation. The IWE deserves a serious inquiry because it is the ideal which Muslims seek to realize. Islam is one of the most influential factors which have shaped current Arab value systems. IWE stands not for life denial but for life fulfillment and holds business motives in the highest regard. Consequently, it is more likely that those who believe in Islam and practice it tend to be more committed to their organizations and presumably more satisfied with their jobs (Yousef, 2001). Ali and Al-Owaihian (2008) stated that IWE has economic as well as moral and social dimensions. These along with basic elements of IWE seem to provide the faithful with a sense of worthiness and strengthen organizational commitment and continuity. That is, work is viewed not as an end in itself, but as a means to foster personal growth and social relations.

2. Literature Review

Previous researches examine IWE and its influence on job satisfaction and commitment (Yousef, 2000, 2001; Rokhman and Omar, 2008). This research expanded IWE by testing its effect on intrinsic motivation, job satisfaction, organizational commitment and job performance.

Intrinsic motivation refers to doing something because it is inherently interesting or enjoyable (Ryan and Deci, 2000). According to Riccio (Hood Jr et al, 2009) Protestant Work Ethics (PWE) in the context of employment and workers is the motivation to achieve. Training children in the home for later independence is to positive correlate of achievement motivation, and earlier independence training and achievement motivation go together, further supporting the underpinning of the PWE. He found that until the late 20th century, Catholic mother were more satisfied with lower-status occupations that offered stability and job security for their children than their Jewish and Protestant counterparts. The results of Nithyanandan (2010) showed that the group has a high PWE also have a high intrinsic motivation. Based on some of the views and the results of these studies indicate there is a relationship between the work ethic to intrinsic motivation.

Intrinsic motivation has significant relationship with job satisfaction (Karatepe & Tekinkus, 2006; Ahmed et al, 2010). Intrinsic motivation affects organizational commitment (Karatepe & Tekinkus, 2006; Mohsan et al, 2011). Intrinsic motivation also affects the job performance (Mundhra, 2010; Oluseyi and Ayo, 2009). Therefore, the hypotheses are:

H1: IWE is significantly and positively related to intrinsic motivation

H2: Intrinsic motivation is significantly and positively related to job satisfaction

H3: Intrinsic motivation is significantly and positively related to organizational commitment

H4: Intrinsic motivation is significantly and positively related to job performance.

Job satisfaction defined as an attitude reflecting a person's feelings toward his or her job or job setting at particular point in time (Schermerhon et al, 2012:63). Daft and Marcic (2013:400) define job satisfaction as a positive attitude toward one's job. Yousef (2001) and Rokhman and Omar (2008) found there is the influence of the IWE on organizational commitment and job satisfaction. Job satisfaction affects organizational commitment (Gunlu et al, 2009; Rose et al, 2009), job satisfaction also affects the employee performance (Shokrkon & Naami, 2009; Ahmad et al, 2010). Therefore, the hypotheses are:

H5: IWE is significantly and positively related to job satisfaction

H6: Job satisfaction is significantly and positively related to organizational commitment

H7: Job satisfaction is significantly and positively related to job performance.

Organizational commitment is the strength of individual's identification with an organization (Nelson and Quick, 2012:130). The study by Othman et al (2004) showed a significant positive relationship between commitment and IWE. Yousef (2001) and Rokhman and Omar (2008) found there is the influence of the IWE on organizational commitment. Therefore, the hypothesis is:

H8: IWE is significantly and positively related to organizational commitment

Grbac and Loncaric (2009) found a positive relationship between perceptions of the role of ethics and social responsibility in doing business, profits and productivity. Ali and Al-Owaihan (2008) states that the IWE contributed to higher performance spread the wealth and social welfare. Therefore, the hypothesis is:

H9: IWE is significantly and positively related to job performance

3. Method

The respondent in this study is the population of the total number of employees of Islamic banks in Bandar Lampung, which consists of: Bank Muamalat, Bank Syariah Mandiri, BNI Syariah, BRI Syariah, and Bank Syariah Bandar Lampung. Questionnaire distributed to all the bank employees 172 people, but the number of questionnaires returned was 149 respondents.

Respondents were required to evaluate agreement to statements about work ethics that used a seven-point Likert scale. A seven-point represented strongly agree while a one-point represented strongly disagree to statements provided. IWE was measured using an instrument developed by Ali (2001). Examples of these items include: "Cooperation is a virtue in work", "Laziness is a vice", "Work is an obligatory activity for every capable individual", "Creative work is a source of happiness and accomplishment" and "Those who do not work hard often fail in life" ($\alpha = 0.93$). Intrinsic motivation was measured using an instrument developed by Warr, et al (1979) (in Furnham, 2005:328). Example items are: "I feel a sense of personal satisfaction when I do my job well", "My opinion of myself goes down when I do this job badly", and "I take pride in doing my job as well as I can" ($\alpha = 0.80$). Job satisfaction was adopted from the Minnesota Satisfaction Questionnaire (MSQ). Examples of these items include: "feelings of accomplishment", being able to stay busy on the job", and "the opportunity to advance" ($\alpha = 0.95$). Organizational commitment was measured using an instrument developed from the Organizational Commitment Questionnaire (OCQ) developed by Meyer and Allen's (1997). Examples of these items include: "I would be very happy to spend the rest of my career with this organization", "I enjoy discussing my organization with people outside it" and "I really feel as if this organization's problems are my own" ($\alpha = 0.93$). Measurement of employee performance based on indicators of dependability, creativeness, initiative, quality of work and Quantity of work ($\alpha = 0.95$).

4. Results and discussion

Model displayed very fit with the data (Fig.1), $\chi^2(4, N = 149) = 0.10$, normed fit index (NFI) = 1.00, nonnormed fit index (NNFI) = 1.01, comparative fit index (CFI) = 1.00, Root Mean Square Residual (RMR) = 0.019. Goodness of Fit Index (GFI) = 1.00. Means, standard deviations, and correlations for the measures appear in Table 1.

Results show of nine hypotheses, seven of them supported. H1: employee with higher regard for values in IWE predicted higher intrinsic motivation. Correlation (see table 1) indicate that there is a strong and positive relationship between the two constructs (0.79). H2: employee with higher intrinsic motivation predicted higher job satisfaction, correlation indicate that there is a strong and the lowest positive relationship between the two constructs (0.55). H5: employee with higher regard for values in IWE predicted higher job satisfaction, correlation indicate that there is a strong and positive relationship between the two constructs (0.69). H6: employee with higher job satisfaction predicted higher organizational commitment, correlation indicate that there is a strong and positive relationship between

the two constructs (0.62). H7: employee with higher job satisfaction predicted higher job performance, correlation indicate that there is a strong and positive relationship between the two constructs (0.68). H8: employee with higher regard for values in IWE predicted higher organizational commitment, correlation indicates that there is a strong and the highest positive relationship between the two constructs (0.8). H9: employee with higher regard for values in IWE predicted higher job performance, correlation indicate that there is a strong and positive relationship between the two constructs (0.64). But employees who have higher intrinsic motivation does not affect their organization commitment (H3: t-test: $-1.13 < t\text{-table: } 1.96$) and their job performance (H4: t-test: $-0.02 < t\text{-table: } 1.96$).

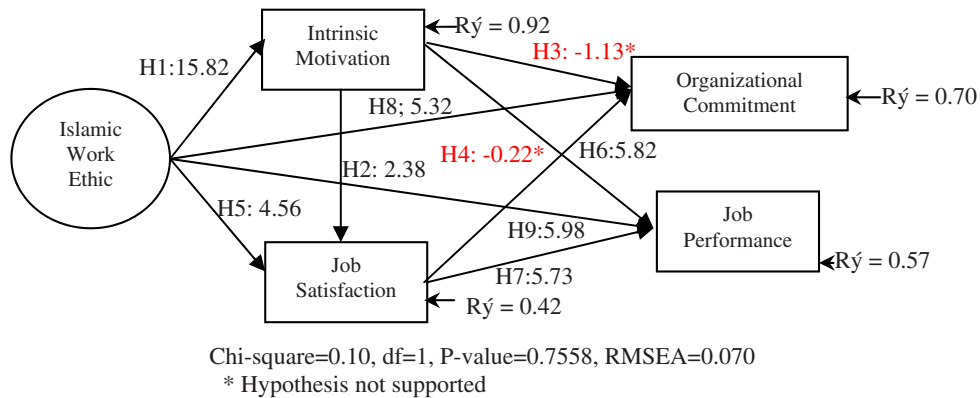


Fig. 1. Hypothesized Structural Model

Table 1. Means, Standard Deviations, and Correlations

Variable	M	SD	1	2	3	4	5
1. Islamic Work Ethic	5.8980	.57627	1				
2. Intrinsic Motivation	6.0577	.66589	.795	1			
3. Job Satisfaction	5.7987	.92517	.694	.554	1		
4. Organizational Commitment	5.4852	.87552	.798	.675	.617	1	
5. Job Performance	5.7141	.76202	.642	.599	.677	.711	1

Correlation is significant at the 0.01 level (2-tailed).

5. Implication

The results that the relationships of the Islamic work ethic on intrinsic motivation, job satisfaction, organizational commitment and job performance are positive and significant are consistent with previous findings (e.g. Nithyanandan, 2010; Yousef, 2001; Rokhman and Omar, 2008; Othman et al, 2004; Grbac and Loncaric, 2009; Ali and Al-Owaihian, 2008). The result show that the relationship between intrinsic motivation and job satisfaction is in line with the findings of previous studies (Karatepe & Tekinkus, 2006; Ahmed et al, 2010). This result indicates that those who are more motivated intrinsic with their jobs are more satisfied to their organizations. The result that the relationship between job satisfaction and organizational commitment is positive and significant is in line with the findings of previous studies (Gunlu et al, 2009; Rose et al, 2009). This result indicates that those who are more satisfied with their jobs are more committed to their organizations. The result that the relationship between job satisfaction and job performance is positive and significant is in line with the findings of previous studies (Shokrkon & Naami, 2009; Ahmad et al, 2010). This result indicates that those who are more satisfied with their jobs are more performance to their job. The result that the relationship between intrinsic motivation and

organizational commitment and job performance not in line with the findings of previous studies (Karatepe & Tekinkus, 2006; Mohsan et al, 2011; Mundhra, 2010; Oluseyi and Ayo, 2009).

The results that the job satisfaction and intrinsic motivation moderate the relationship among Islamic work ethic, organizational commitment and job performance can be considered a major contribution of this study. These results demonstrate that improving job satisfaction, organizational commitment and job performance requires enhancing intrinsic motivation, job satisfaction and support of the Islamic work ethic.

6. Conclusion

This study obtained evidence that the IWE directly affects intrinsic motivation, job satisfaction, organizational commitment and job performance, and intrinsic motivation and job satisfaction moderate the relationship between IWE and organizational commitment and job performance.

The findings and conclusions of this study are only suggestive and should be interpreted keeping in mind the following limitations. First, the sample was selected from the Islamic Bank in Bandar Lampung Indonesia. Furthermore, respondents were all Muslims. This limits comparisons Between Muslims and non-Muslims and restricts the generalization to other conventional banks. Second, the sample size was only 149 Islamic Bank employees. With a larger sample size, it could conduct a comparison on different professionals 'such characteristics as respondents' religious background, age, and positions. Future studies should use a larger sample to enable comparisons and look at the perspectives of non-Muslims, other banks (Islamic and conventional), corporate bodies and support staff. Future research suggests that to study the impact of the Islamic work ethic on job stress, turnover intentions and job insecurity.

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