

INVESTIGATING THE EFFECTS OF ISLAMIC ETHICS ON ORGANIZATION COMMITMENT, JOB SATISFACTION, AND PERFORMANCE OF PROFESSIONAL ACCOUNTANTS (CASE STUDY: ACCOUNTANTS OF YAZD PROVINCE)

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ABSTRACT

The aim of the present study is to investigate the effects of Islamic ethics on organization commitment, job satisfaction, and performance of professional accountants. This research is an applied study in terms of objective, and a correlation-descriptive study in terms of method. The required data was collected using questionnaire and survey method. The research population consists of all the accountants the companies in Yazd Province, and random sampling was used to determine the sample. Data analysis was done via LISREL software using structural equations technique. Findings show that Islamic Ethics has a significant effect on organization commitment, job satisfaction, and performance of professional accountants.

KEYWORDS: Islamic Ethics, organization commitment, job satisfaction, performance

After the failure of huge companies, such as Enron, and the Western crises, studying the work ethics has attracted much interest during the recent years (Yousef, 2001). Such interest may indicate that work ethics improves employees' attitudes toward their job and the organization they work in. Work ethics that is normally related with religious beliefs is supposed to improve organization commitment, job satisfaction, and some other individual and organizational factors (Rahman, 2006). In analysis of the behavior of organizations, achieving a perception of ethical concepts and values is a vital requirement. Ethical behaviors form the external symbol of an organization, which consist of various moral values emerged and raised within the organization. Therefore, one of the most significant concerns of efficient managers at various levels is how to establish appropriate situations for the workforce working in various professions to do their tasks with most commitment and responsibility and meet the ethical principles of their professions (Cherrington, 1980).

Today, the accounting department in every organization is regarded as the heart of the organization and all the intra-organization incidents including production, official activities, and unexpected events must be converted to numbers and digits in accounting department and should be reported and recorded as the information of the commercial unit. Since accountants and financial managers are in charge of recording and preserving the financial data and analyzing financial

statements, paying attention to their spirits and performance is of great significance.

Previous studies have investigated the effect of Islamic ethics on job satisfaction and organization commitment (Yousef, 2001 and Rokhman and Omar, 2008); however, the present research expands the study to job performance as well.

THEORETICAL AND EXPLANATION

Islamic ethics

According to Beckon (1996), work ethics in Islamic perspective is defined as a set of moral principles distinguishing right from wrong. In Islamic ethics, work and the tendency to work are regarded as a virtue in life (Haroon et al., 2012). Enough efforts must be taken in a work environment. "What human attains is the result of his efforts". Islamic ethics emphasizes on cooperation. "Consult with them in doing tasks". Their works are advisory and they regard consultant as a way to avoid errors and remove the obstacles (Yousef, 2000, Alk-Kazemi, 2007). Furthermore, working is a source of independence and a way to improve individual growth, self-esteem, satisfaction, and self-actualization (Yousef, 2000). Islamic ethics regards morality as a source of pleasure and perfection, and regards hardworking as a virtue, and believes that those who work hard are much likely to succeed in their lives; on the other hand, those who do not make much effort will not be successful (Ali, 1988). The value of a task in Islam is upon the doer's intention rather than the result of the action (Rizk, 2008).

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Yousef (2000) stated that the principles of Islamic ethics are not restricted to economical aspects; rather, they include moral, spiritual, and social aspects as well. Furthermore, every task should be meaningful and significant for the individual and the community because in Islam, work is a mandatory activity and a virtue which is the source of independence and improves individual growth, self-esteem, satisfaction, and self actualization (Yousef a, 2000). The first studies conducted on work ethics were focused on the Protestants' ethics and were supported by Max Weber (Yousef b, 2000).

Job satisfaction

Job satisfaction is another concept commonly used in industry and organization psychology, which has been well investigated. Job satisfaction is said to be the individual's general attitude towards his job. The individual with high level of job satisfaction has a positive attitude toward his job, but the one who is dissatisfied with his job has a negative assessment of his job (Simon, Scott, Sibbal, 2009). Vroom (1970) defines job satisfaction as the employees' response to the role they play. Specter (1997) believes that job satisfaction is an attitude indicating people's feelings of their jobs or of others' jobs.

Organization commitment

During the recent years, organization commitment has been the subject of many organizational studies. Conducted studies have shown that organization commitment of the workforce in addition to serve as a strong effective force in successfulness of the organization, functions as an international prestige (Soar, Steven, Seong, Hyun, Luschines, 1996). During the past several decades, the structure of organization commitment has frequently been revised and modified. Alan and Myer proposed a more developed form of organization commitment which is a multidimensional entity. In their model of organization commitment, they divided commitment into three aspects of emotional commitment, continuous commitment, and normative commitment. Emotional commitment is the sum of emotional dependence to the organization, being identified with the organization, and involvement in organization. Employees with high levels of emotional commitment work within the organization because they want to do so. They work for the company because they love it and want to be part of it. Continuous commitment is defined as being aware of the costs of leaving the organization. Workers who link

with the company for the first time work upon continuous commitment; they remain in the organization because they need to work there. They lose many things if they leave the organization. Finally normative commitment is said to be the moral and binding commitment making the employee continue working for the organization. Employees with high levels of normative commitment feel they should remain loyal to the organization (Alan and Myer, 1990).

Commitment means to undergo performing a task, taking its responsibility, and make a promise to fulfill it. It also includes:

1. Inclination to one side or one belief
2. Reference to a topic
3. Undergoing a task in future
4. The feeling of being forced or emotionally committed to perform a task (Porter et al, 1974).

Job performance

Various viewpoints have been proposed regarding job performance. In fact, job performance refers to a set of behaviors an individual show regarding his job; in other words, it is defined as the outcome, consequence, or result an individual experiences for being involved in his present occupation (Robert et al., 1998). It also refers to how accurately the tasks imposed by instructor are done (Moorhead, 1995).

RESEARCH BACKGROUND

As mentioned before, first studies on work behavior were focused on protestant ethics which were supported by Max Weber (Yousef a, 2000). Ali (1998) designed the criterion of Islamic ethics of work which was later used by scholars and researchers. Yousef (2000) concluded that the employees' Islamic ethics of work has directly and positively affected their attitudes towards organizational changes and commitment. Also in 2001, he investigated the mediator role of Islamic ethics of work in the relationships between organization commitment and job satisfaction among Muslim workers of several organizations in UAE. He found that Islamic ethics affects both organization commitment and job satisfaction.

In a case study in 2006, Rahman et al. investigated the relationship between Islamic ethics of work and organization commitment among 227 clerks in local banks in Malaysia. Also in Kuwait, Ali and Al-Kazemi (2007) studied the relationship between Islamic

ethics of work and loyalty, and confirmed a significant correlation between these variables.

Among the studies conducted in respects with Islamic ethics of work and job satisfaction, Yousef (2001), Ku and Bo (2001), and Vital and Davis (1990) state that work ethics are completely related with job satisfaction (Wahibour, 2010). In the United States, Alkinz (2007) found a weak correlation between work ethics and job satisfaction in a productive Japanese company. Also in a private study in the Middle East, Ambert and Hogan (2009) found that work ethics leaves the most effect on job satisfaction.

Studies by Week et al. (2004) and Scooper (2001) showed that moral treatment in work environment affects job satisfaction and organization commitment. Peterson (2003) found a significant relationship between depletion of ethics and less organization commitment and more tendencies to leave the organization. Yousef (2001) showed that those who regard Islamic ethics as a value are more satisfied with their job and tend to show more commitment to their job. Scooper (2001) found a positive dependency between positive morality and job satisfaction as inseparable component.

Rokhman et al. studied the effect of Islamic ethics on job performance (job satisfaction, tendency to leave job, and organization commitment) in Indonesia and observed that Islamic ethics of work leaves a positive impact on organization commitment and job satisfaction but does not affect the tendency to leave the job.

METHODOLOGY

The present research is an applied study with correlation method. Also in terms of the approach, it is a descriptive-survey study. With regards to what stated under the title of theoretical concepts, the following hypotheses were designated and examined:

H1: Islamic ethics affects job satisfaction.

H2: Islamic ethics affects organization commitment.

H3: Islamic ethics affects job performance.

The population of the present research consists of the accountants working in companies of Yazd Province. Using random sampling, the sample was determined to include 259 individuals consisting of 123 women and 136 men.

Survey tools

The survey tool was a questionnaire extracted from English papers and standard international reference questionnaires. It was designed according to Likert. The questionnaire spectrum consists of 5 parts. The questionnaire contains 71 questions including 17 questions regarding Islamic ethics, 21 questions on job satisfaction, 18 questions concerning organization commitment, and 15 questions concerning job performance. The researcher went to the responders' workplace to distribute and recollect the questionnaires. After translating the questionnaire into Persian and analyzing its content, its validity was confirmed by the experts.

Table 1: Coefficient of Cronbach's Alpha for each of the variables

variables	Number of questions	
Islamic ethics	17	0.856
Job satisfaction	22	0.893
organization commitment	19	0.881
Job performance	15	0.915
all	73	0.946

FINDINGS

The findings of this study were obtained through examining the models for measuring external variables (Islamic ethics) and internal variables (job satisfaction, organization commitment, and job performance) with an approach of confirmatory factor analysis and determining the relationships between the variables through structural equations model using LISREL software.

MEASURING MODELS

It is essential to confirm the accuracy of the measuring model before examining the hypotheses and conceptual model. According to the models of measuring the variables, all variables have a t-statistic of greater than 1.96 and their coefficient of determination was acceptable. Therefore, none of the items were eliminated from the model.

Table 2: Investigating appropriateness

Indexes	Reported Value	Indexes	Reported Value
χ^2	4399.43	AGFI	0.80
df	2543	NFI	0.95
$\frac{\chi^2}{df}$	1.73	NNFI	0.95
RMSEA	0.069	IFI	0.96
GFI	0.84	CFI	0.96

Generally while working with LISREL, neither of the obtained coefficients can alone show the appropriateness or inappropriateness of the model; rather, these coefficients should be interpreted in combination with each other. There are several features for assessment

of the model. As it can be observed, the constant of χ^2 in degrees of freedom is 1.73 that is smaller than 3. Lowness of this constant shows the little difference between the conceptual model and the observed data. Also RMSEA is equal to 0.069 that is smaller than 0.08.

In addition to χ^2 , lowness of RMSEA also shows the appropriateness of the model. The coefficients of CFI, IFI, NNFI, and NFI were all greater than 0.9 and the coefficients of GFI and AGFI were greater than 0.8. Hence, the model is confirmed with acceptable appropriateness.

Structural model (path analysis)

After conducting confirmatory factor analysis, here we use structural equations model to examine the hypotheses. The structural model of this research is shown in Fig.1.

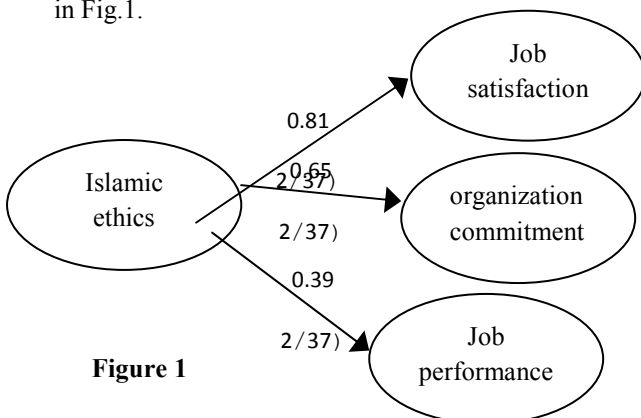


Figure 1

Figure (1) shows the general structural model where the digits on the path show the coefficients and the digits in parentheses show the t-statistic or significance. With regards to the fact that the statistics of all paths are greater than 1.96, it can be said that Islamic ethics has a significant effect on all variables of job satisfaction, organization commitment, and job performance. The standard coefficients of the model are presented in the following chart together with the t-statistic corresponding to each path.

Table 3:

		t-value	(R ²)
(IWE) JS	0.81	2.37	0.65
(IWE) OC	0.65	4.46	0.42
(IWE) JP	0.39	3.82	0.15

According to table (3), determination coefficient for job satisfaction is calculated as 0.65 showing that Islamic ethics explains 65 percent of the changes in job satisfaction. Furthermore, it can be said that 42 percent of the changes in organization commitment and only 15 percent of the changes in job performance can be explained by Islamic ethics. Also with regards to standard coefficients, it can be said that Islamic ethics of work affects job satisfaction, organization commitment, and job performance respectively 0.81, 0.65, and 0.39.

Examining the hypotheses

After examination and confirmation of the model, the hypotheses are now examined.

H1: Islamic ethics affects job satisfaction.

According to table (3), the absolute value of t-statistic for the path of Islamic ethics-job satisfaction is 2.37 that is greater than 1.96. Therefore, the null hypothesis is rejected. Hence, Islamic ethics has a significant effect on job satisfaction and the intensity of this direct effect is 0.81. This means that an increase in level of Islamic ethics leads to an increase in job satisfaction.

H2: Islamic ethics affects organization commitment

According to table (3), the absolute value of t-statistic for the path of Islamic ethics-organization

commitment is 4.48 that is greater than 1.96. Therefore, the null hypothesis is rejected. Hence, Islamic ethics has a significant effect on organization commitment and the intensity of this direct effect is 0.65. This means that an increase in level of Islamic ethics leads to an increase in organization commitment.

H3: Islamic ethics affects job performance.

According to table (3), the absolute value of t-statistic for the path of Islamic ethics-job performance is 3.82 that is greater than 1.96. Therefore, the null hypothesis is rejected. Hence, Islamic ethics has a significant effect on job performance and the intensity of this direct effect is 0.39. This means that an increase in level of Islamic ethics leads to the improvement of job performance.

DISCUSSION AND CONCLUSION

Islam has some explicit moral guidelines to control the organization-employee relationship. For example, when the manager compares the performance of one employee with other employees, or at the time of employment or promotion, he pays the salary of every worker (Right). Furthermore, he treats all employees equally (Justice) (Beckon and Jamal, 2005). The activities of managers and workers are explained in the ethics. Hence with regard to the crucial role of the organizations in the present time, the community expectations of these organization have raised; particularly in communities with high levels of Islamic beliefs such as Iran. Therefore, ignoring such ethics and values on the part of the organization can create significant problems. In fact, organizations' ignorance of these issues questions their legitimacy and negatively affects their successfulness.

We concluded that Islamic ethics affects organization commitment. This finding is in agreement with those of Yousef (2001) and Rahman (2006). Also we found that Islamic ethics has a significant effect on job satisfaction. This finding also confirms those of Week et al. (2004) and Scooper (2001). They concluded that moral treatment in work environment affects job satisfaction and organization commitment. This finding is also consistent with those of Yousef (2001), Ku and Bo (2001), Vital and Davis (1990), Alkaniz (2007), and Ambert and Hogan (2009).

Since human resources and workforce are the main capitals of every organization, considering their moral characteristics and needs should be the major

concern of managers and employers. With regards to the crucial role of these resources in achieving the goals of the organization and also with regards to the importance of their performance in providing services and being responsible, not paying attention to the mentioned issues is ignorance. Accountants regard themselves committed through the pleasure they experience while being identified with the name of the organization. So it seems that the increase in commitment makes the accountants ignore some deficiencies of the organization and reduces their dissatisfaction.

Like any other research, this study also suffered from some difficulties and restrictions. For example, the employees were not willing to fill the questionnaires due to the inapplicability of previous studies for them. However, the researcher tried to convince them with emphasizing the significance of this subject and made them participate in the research. Another difficulty was lack of reference studies on Islamic ethics, which was most critical while comparing the findings with those of similar studies.

Finally, the managers of organizations are recommended to try to identify the codes of Islamic ethics and the factors affecting job satisfaction, organization commitment, and job performance to make the accountants more powerful in responding the demands. Also future researchers are recommended to investigate Islamic ethics with other variables and in other communities.

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