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THE EFFECT OF ISLAMIC WORK ETHICS ON WORK OUTCOMES: A CASE STUDY ON HIGHER EDUCATION IN STATE OF KEDAH

BY

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UNIVERSITI UTARA MALAYSIA

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THE EFFECT OF ISLAMIC WORK ETHICS ON WORK OUTCOMES: A CASE STUDY ON HIGHER EDUCATION IN STATE OF KEDAH

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(807297)

Thesis Submitted to the College of Business in Partial Fulfilment of the requirement for the Degree of

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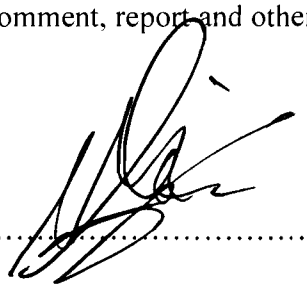

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ABSTRACT

This study was conducted to investigate the effect of Islamic work ethic on work outcomes (job satisfaction, organizational commitment and turnover intention) on Higher Education in state of Kedah (UUM, KUIN and UITM Merbok). Professional organizations work very hard to establish codes of ethics to help both staff admin and academic to understand and manage their ethical responsibilities. Islam considers ethics as an essential factor to build individuals, communities and society. Islamic ethics are set of moral principles and guidance that recognizes what is right behavior from wrong. It is universal, comprehensive, stable, fair, and historically prove success in building ethically great society. The study used a sample of 200 respondents from three institutions of Higher Education in Kedah (UUM, UITM & KUIN). The empirical testing indicates that Islamic work ethic has positive effects on both job satisfaction and organizational commitment; whereas there is no significant evidence of the effect of Islamic work ethic on turnover intention. Implication, limitation and suggestion for future research are discussed.

Keywords: Islamic work ethics, Job Satisfaction, Organizational commitment, and Turnover intention.

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CHAPTER ONE

INTRODUCTION

1.1 Introduction

The study of work ethics has gained significant interest in recent years following the failures of major corporations like Enron and WorldCom. However, most studies in this area, as well in the bigger subject area of business ethics, have been based on the experiences in the American and some European countries (Lim and Say, 2003; Rizk, 2008). Essentially, these studies (see Furnham, 1982, 1990; Furnham and Rajamanickam, 1992) relied on the Protestant Work Ethic (PWE) as advocated by Max Weber (Yousef, 2001). Notwithstanding the impact of Protestantism and PWE on economic development in the West (Weber, 1958), the applicability of models that are based on these elements maybe be limited in non-Western societies. This may be particularly so in societies which are dominated by the non-Islamic religion. Islam for example has its own concept of ethics that are derived from the Qur'an and sunnah. In a manner similar to Weberian Protestantism, Islam provides the ideological foundation for a variety of personal attributes that promote economic development (Ali, 1992). Indeed, Ali (2005) noted that the application of Islamic ethics brought the Muslims to the golden ages in the eighth until the fourteenth century.

However, not much is known about Islamic work ethics (IWE). To date, there are only a few researches that have looked at IWE (see Ali, 1988 and 1992; Yousef, 2000 and 2001;

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