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## **ISLAMIC WORK ETHIC IN ISLAMIC COLLEGE IN INDONESIA: THE ROLE OF INTRINSIC MOTIVATION, ORGANIZATIONAL CULTURE AND PERFORMANCE**

### **Abstract:**

Islamic work ethics is a concept of ethics that is based on Islamic teaching and principle which rely on faith. Islamic ethics is a principle of right and wrong which designate to demonstrate what human ought to do taught Quran and shown in the great life of the Prophet Muhammad. This study investigated the influence of Islamic work ethic on intrinsic motivation, organizational culture and job performance in Islamic College in Indonesia. This study used a quantitative model, and it uses a sample of 150 employees of Islamic University in Bandung, Indonesia. Empirical results show that the Islamic work ethic greater effect on intrinsic motivation and organizational culture than their effects on job performance. Furthermore, empirical results suggest intrinsic motivation moderates the relationship of the Islamic work ethic on performance, and organizational culture moderates the relationship of the Islamic work ethic on performance.

### **Keywords:**

Islamic college; Islamic work ethic; Intrinsic motivation; Organizational culture; Performance

**JEL Classification:** F15, O52

## 1. Introduction

Islamic work ethics (IWE) has become an interesting topic for researchers who study employee attitudes and behaviour in Muslim societies. Many researchers have worked on Islamic work ethics with work-related variables and have had different results in different countries and regions. Until now a large number of studies on IWE have been published (Ali, 1988; 1996; Yousef, 2000a; 2000b; 2001; Arslan, 2000; 2001; Ali & Al-Kazemi, 2007; Rokhman, 2010; Hayati & Caniogo, 2012; Zaman et al., 2013; Rachmawati & Sudarma, 2016).

IWE has been found to significantly influence employee attitudes such as: job satisfaction (Mohamed, Karim & Hussein, 2010; Rokhman, 2010 etc.), organizational commitment (Hayati & Caniogo, 2012; Rokhman, 2010; Yousef, 2001, etc.) and job involvement (Khan, Abbas, Gul & Raja, 2013) and positive employee behaviors such as: organizational citizenship behavior (Abbasi & Rana, 2012; Murtaza, et al, 2014) and knowledge sharing behavior (Murtaza, et al, 2014), according to psychology positive organization.

The Qur'an is a complete code of life and the duty of every Muslim is to abide by the Qur'an and Sunnah value system. People are prepared through the Qur'an and Sunnah value systems and demonstrate these qualities in their personal and professional lives. To be based on an Islamic value system provides a comprehensive management pattern that protects all community stakeholders (Zaman, et al, 2016).

Islamic work ethics (IWE) is an Islamic hope in relation to a person's behaviour in the workplace which includes business, dedication, cooperation, responsibility, social relations, and creativity. Basically, when someone has a close relationship with God, one's attitude and behaviour will tend to be consistent with religious rules and regulations (Rahman, et al. 2006). According to the philosophy of Islamic work ethics, Muslim professionals must always give priority to the interests of the public whenever they have to choose between personal interests and the public interest (Kheder, 2001).

It is important to note that the main features of IWE are embodied in all schools of Islamic thought when we apply an Islamic work ethic that is driven from the Koran and the Sunnah, employees do their work better and employee efficiency is improved. IWE is behaviour and also a technique to do the best of the job. While we work under the Islamic code of ethics, the excitement or motivation that comes from inside someone looks better and they look satisfied. This may be intrinsic motivation and that also leads to satisfaction (Haroon, et al. 2012).

It has been noted that all previous studies on IWE are spread between different organizational and cultural contexts, making it difficult to generalize the impact of IWE on employees and organizational results. Apart from the large number of articles published on IWE, there are no studies that focus on the object of Islamic educational institutions (Islamic universities). In addition, several variables in relation to IWE have been repeatedly studied (job satisfaction, organizational commitment), while investigations about the impact of IWE on several important variables such as organizational culture and intrinsic motivation are rare. Therefore, this study will add organizational culture and intrinsic motivation variables as intervening variables involved in mediating the relationship between IWE and performance.

This study investigated the influence of Islamic work ethic on intrinsic motivation, organizational culture and job performance in Islamic College in Indonesia.

## 2. Literature Review

Previous researches examine IWE and its influence on job satisfaction, intrinsic motivation, organizational commitment and job performance (Yousef, 2000, 2001; Rokhman and Omar, 2008; Hayati and Caniogo, 2012). This research expanded IWE by testing its effect on organizational culture. Islamic Work Ethics is taken as an independent variable. IWE has a positive and strong relationship with intrinsic motivation, and intrinsic motivation is serving as an intervening variable, and intrinsic motivation leads to job performance, which is a dependent variable in this relationship.

The leading features of the IWE are contained in all Islamic schools of thought when we apply Islamic work ethics that are driven from Holy Quran and Sunnah, the employee performs their jobs in a better way and the efficiency of employees are enhanced. IWE are behaviours as well as techniques to do the best out of job. While we are working under the Islamic code of ethics the joy or some sought of motivation that comes from inside an individual they look better and they are seemed satisfied. This is maybe the intrinsic motivation and that also leads the organizational culture (Haroon, Fakhar, & Rehman, 2012). Intrinsic motivation affects organizational culture (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 will be positively related to IM.
- H2: IWE will be positively related to IC.
- H3: IWE will be positively related to JP.
- H4: IM will be positively related to JP.
- H5: IC will be positively related to JP.
- H6: IM will mediate the relationship between IWE and JP.
- H7: IC will mediate the relationship between IWE and JP.

### 3. Methodology

This research uses survey method. The populations in this study were employees of the state Islamic university in Bandung, Indonesia. Samples were taken using Slovincs' formula with alpha 5% = 150 respondents, with the proportional random sampling. Data was taken from April to July of 2019 with questionnaires. A characteristic of respondents is dominant in age 49-50 years, with a long working 26-31 years. Data analysis techniques use confirmatory factor analysis and Structural Equation Modeling (SEM).

In this study, measurements that were previously developed and validated are used, often used to measure variables. Respondents were asked to answer statements using a five-point Likert scale. Five points represented strongly agree while one point represented strongly disagree with the statement given.

To measure the Islamic Work Ethics, 13 items, short version instrument developed by Ali (1992), were used with little modifications. A five-point scale is employed ranging from 1 (strongly disagree) to 5 (strongly agree).

The organizational culture is measured through six items scale developed by Edison and Imas (2016). To obtain responses a 5-point Likert-scale will be used, the range of the Likert-scale will be from 1 = strongly disagree, to 5 = strongly agree.

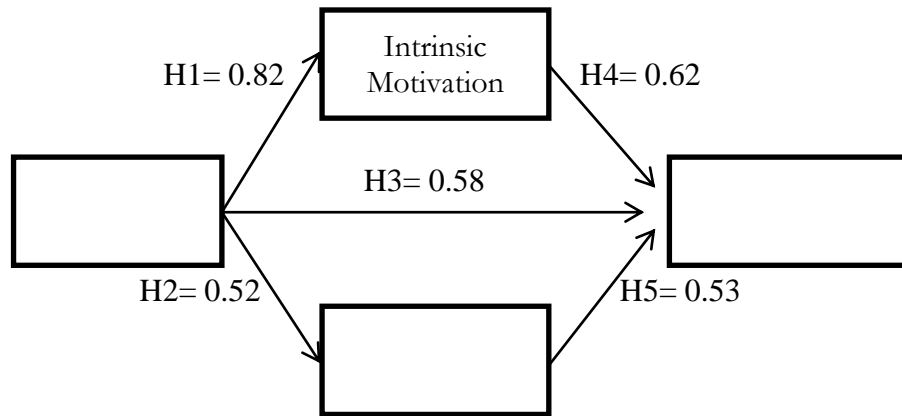
The third scale was the intrinsic job motivation scale developed by Warr et al., (1979). It comprises six items to determine the degree to which a person wants to work well in his or her job in order to achieve intrinsic satisfaction. Respondents were asked to read the scale and express their opinions on a five-point Likert scale; (1 = strongly disagree and 5 = strongly agree).

Measurement of job performance based on indicators of dependability, creativeness, initiative, quality of work and quantity of work. Respondents were asked to read the scale and express their opinions on a five-point Likert scale; (1 = strongly disagree and 5 = strongly agree).

### 4. Results and Discussion

This study investigated the influence of Islamic work ethic on intrinsic motivation, organizational culture and job performance in Islamic College in Indonesia. The results show that all seven hypotheses are supported. H1: employees with more respect for values at IWE predict higher intrinsic motivation. The correlation shows that there is a strong and positive relationship between the two constructs. H2: An employee with more respect for values at IWE predicted higher organizational culture, correlation shows that there is a strong and highest positive relationship between the two constructs. H3: An employee with more respect for values at IWE predicted higher job performance, the correlation showed that there was a strong and

positive relationship between the two constructs. H4: An employee with higher intrinsic motivation predicts higher job performance, correlation shows that there is a strong and lowest positive relationship between the two constructs. H5: An employee with a higher organizational culture predicts higher job performance, the correlation shows that there is a strong and positive relationship between the two constructs. H6: Intrinsic motivation moderates the relationship of the Islamic work ethic on performance, H7: Organizational culture moderates the relationship of the Islamic work ethic on performance.



The result that the relationship of Islamic work ethics to intrinsic motivation, organizational culture and work performance is positive and significant consistent with previous findings (eg Nithyanandan, 2010; Yousef, 2001; Rokhman and Omar, 2008; Othman et al, 2004; Grbac and Loncaric, 2009; Ali and Al-Owaihyan, 2008).

The results show that the relationship between intrinsic motivation and performance is in line with previous research findings (Karatepe & Tekinkus, 2006; Ahmed et al, 2010). These results indicate that those who are more intrinsically motivated by their work will improve their performance.

The results show that the relationship between organizational culture and performance is positive and significant in accordance with previous research findings (Harinoto, Sanusi, and Bogetriatmanto, 2018). These results indicate that those who have a good organizational culture will tend to improve their performance.

The results that organizational culture and intrinsic motivation moderate the relationship between the Islamic work ethic and work performance can be considered as the main contribution of this study. These results indicate that improving work performance requires increased intrinsic motivation, organizational culture and support of an Islamic work ethic.

## 5. Conclusions

This study obtained evidence that Islamic work ethics (IWE) directly influence intrinsic motivation and organizational culture, and intrinsic motivation moderates the relationship between IWE and organizational culture and job performance. The findings and conclusions from this study are only suggestive and must be interpreted, keeping in mind the following limitations. First, the sample was selected from the state Islamic University in Indonesia. Furthermore, the respondents are all Muslim; this limits comparisons between Muslims and non-Muslims and limits generalizations to other universities. Second, the sample size used is only 150 employees of the State Islamic University of Bandung, Indonesia. With a larger sample size, it can make comparisons on different professional characteristics such as educational background, age, and position of the respondent. Future studies must use a larger sample to enable comparison and see non-Muslim perspectives (Islamic universities and non-Islamic universities).

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