

ISLAMIC WORK ETHICS AND EMPLOYEES' PERFORMANCE WITH MEDIATING EFFECT OF JOB SATISFACTION IN YEMEN

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ABSTRACT

This study aims to examine the Islamic work ethics and employees' performance with mediating effect of job satisfaction *on* governmental sector in Yemen. Islamic work ethics (IWE) is set as the independent variable and employee' performance (EP) is set as the dependent variable, whereas job satisfaction is set as mediator between IWE and EP. The study employed a stratified random sampling method. Data was gathered by questionnaires that were distributed among 520 employees in governmental sector in Yemen. The first part of the questionnaire covers the demographic profile of the respondents; whereas the second part of the questionnaire tested the variables' items. The gathered data was processed by statistical package for social sciences (SPSS) version 20 and Amos 22. The findings of the study indicated that Islamic work ethics directly impact on job satisfaction and the standardized coefficient was 0.854. Also this result shows the direct influence of job satisfaction on employees' performance, and the standardized coefficient was 0.406. The mediation effect of job satisfaction for the relationship of Islamic work ethics and employees' performance was found partially mediate and the standardized coefficient was 0.570. This study proves that the overall governmental performance and high level productivity can be achieved if government can try to improve and enhance Islamic work ethics and job satisfaction. The study indicated that employees' awareness and implementation of the work ethics based on the Islamic principles would stimulate and enhance performance of such employees. In the same context, implementation of IWE in the governmental sector can further strengthen employee job satisfaction and consequently enhance performance and high productivity.

Keywords: Islamic Work Ethics, Job Satisfaction, Employees' Performance, Equity Theory, Yemen

INTRODUCTION

Work ethic and its linkages with job satisfaction, employees' performance as well as individual and organizational variables have received considerable attention in the literature (e.g. Aldag & Brief, 1975; Kidron, 1978; Beutell & Brenner, 1986; Putti et al., 1989; Wayne, 1989; Abboushi, 1990; Oliver, 1990; Yavas et al., 1990; Elizur et al., 1991; Furnham & Rajamanickam, 1992; Jones, 1997). Such attention might be attributed to the fact that work ethic, in particular, is 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).

According to Yousef (2001), social relations at work are encouraged in order to meet one's needs and establish equilibrium in one's individual and social life. In addition, work is considered to be a source of independence and a means of fostering personal growth, self-respect, satisfaction and self-fulfillment. The IWE stresses creative work as a source of happiness and accomplishment. Hard work is seen as a virtue and those who work hard are more likely to get ahead in life. Despite its importance, few researches have been devoted to an in-depth study of the Islamic work ethic and its impacts on job-related outcomes such as job satisfaction, employees' performance and the like. Therefore, the main objectives of the present study are: to explore the direct effects of the Islamic work ethic on employees' performance, as well as the mediating effects of the job satisfaction on the relationship between Islamic work ethics and employees' performance.

The present study is potentially useful for both academicians and practitioners alike. From an academician perspective, this study is expected to enhance academicians' understanding of the role of job satisfaction in mediating the relationship between Islamic work ethics and employees' performance in the governmental sector in Yemen, thus hopefully stimulating further research in this area. In addition, it is expected that the present study would also be of some benefit for those who teach Islamic work ethic and related topics. From a practical standpoint, the study indicated that employees' awareness and implementation of the work ethics based on the Islamic principles would stimulate and enhance performance of such employees. In the same context, implementation of IWE in the governmental sector can further strengthen employee job satisfaction and consequently enhance performance and high productivity.

LITERATURE REVIEW

The Relationship Between Islamic Work Ethic And Job Satisfaction

Job satisfaction is closely related to Islamic work ethics and research supports the positive impact of Islamic work ethics on organizational performance as well as employee satisfaction (Vitell & Davis, 1990; Yousef, 2001). Prophet Muhammad (PBUH) also stressed that social aspects in the workplace and duties toward society should be an essential element of organizational life. Furthermore, justice and generosity in the workplace and engagement in economic activities are viewed as being obligatory.

The higher job satisfaction will result in decreased turnover intention (Boles et al., 1997). Yousef (2001) suggested that understanding the relationship between work ethics and job satisfaction is vital in determining involvement and strategies for explanatory factors that cause a reduction in satisfaction level towards the work condition. The previous studies on work ethics revealed a close relationship with job satisfaction (Vitell & Davis, 1990; Viswesvaran & Deshpande, 1996; Yousef, 2001; Rokhman, 2010).

The Relationship Between Job Satisfaction And Employees' Performance

Job satisfaction has been an important topic over the years (Akpofure et al., 2006). It is of importance as job satisfaction is believed to contribute to job performance and work commitment. An employee who is satisfied with his job would perform his duties well and be committed to his job and subsequently to his organization. Thus, it is of utmost importance for employers to know the factors that can affect their employees' job satisfaction level since it would affect the performance of the organization as well.

Shahu and Gole (2008) in their research define effects of job satisfaction on performance, they had sum up their findings on a factor that work satisfaction should be considered by the organization as an important plan which needs to be extended in order to improve employees performance and where employees can put their best performance. Performance level lowers with lower level satisfaction scores. There should be some awareness programs, pertaining to the stress & satisfaction level in the industries. It will help organizations to understand the benefits of stress knowledge in relation to satisfaction and goal achievement in the industry.

Funmilola et al. (2013) examined the impact of job satisfaction dimensions on the job performance of Small and Medium Enterprises' employees in Ibadan metropolis, South Western Nigeria. Simple random sampling technique was adopted to collect data from one hundred and five (105) respondents from three different sectors through structured questionnaire. Both Pearson Product Moment Correlation Coefficient and Multiple

Regression Analysis were used to analysis the data with the aid of SPSS 20. The results showed that job satisfaction dimensions have a significant effect on job performance. It was also found that job satisfaction dimensions jointly predict job performance, which accounted for 33% variance of job performance.

Relationship Of Islamic Work Ethics (IWE) And Employee's Performance (EP)

IWE considers dedication to work as a virtue. It is an obligation of a capable person to exert a sufficient effort in work. To avoid mistakes and overcome obstacles, cooperation and consultation are encouraged. To manage individual and social life, social relations at work are encouraged. Work itself means of establishing an independent self-identity, self-respect, personal growth, and satisfaction, where as creative work is seen as a noble source of accomplishment and happiness. IWE is derived from the intentions of the work rather than results of work. To have a welfare society, it is necessary to have justice and generosity at the work place (Abbasi et al., 2013).

According to Owoyemi and Ahmed (2012), Islam lays great emphasis on work. In many places in the Quran and Hadith, it has been made clear that time should not be wasted. In the Qur'an, Allah draws attention to all the magnificent creations as an indication of the proper planning that leads to wonderful results—for Muslims believe that he creates nothing haphazardly. God relates in the Quran how the heavens and the earth were created in seven days and described that as a sign for humankind. Then the Quran directs a message to humanity that they should contribute positively to the earth, that is, they should work to make use of what is created for their benefit: "That man can have nothing but what he strives for; that (the fruit of) his striving will soon come in sight: Then will he be rewarded with a reward complete". (An-Najm 53:39 41).

Yousef (2001) has conducted that countries of Muslim populace need to have a measurement of work ethic based on Islam. This is simply because Islam as *ad-din* has its own culture that has helped to shape Islamic society values on the need and importance of work. Islam views work as a noble activity which is aimed not only to enrich individuals but also to prosper a nation and society. While general understanding of work is referred to physical or mental activities aimed at accomplishing something; the concept of work in Islam is far broader and is termed as *'amal* — the calling to undertake activities thus, the Muslims should not remain idle.

Conceptual Framework

Based on the discussion presented in the literature review section, the following conceptual framework was constructed and presented in Figure 1.

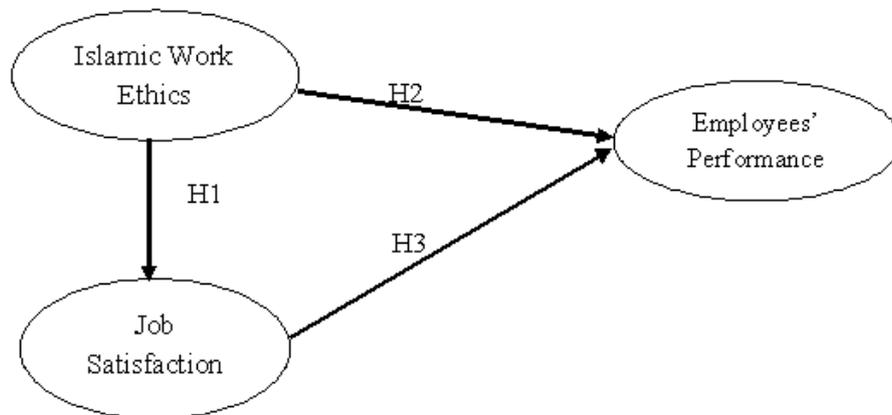


Figure 1: Conceptual Framework

Based on the analytical interpretations in the previous section, the following hypotheses were proposed:

- H1:** There is a direct impact between Islamic work ethics and job satisfaction.
- H2:** There is a direct impact between job satisfaction and employees' performance.
- H3:** There is a direct impact between Islamic work ethics and employees' performance.
- H4:** There is a mediator role of job satisfaction for relation between Islamic work ethics and employees' performance.

METHODOLOGY

Sample And Data Collection

A total of 7 governmental sectors in Yemen were selected. Then a stratified random sample of employees in each of the 7 selected ministries was drawn. The total sample of this study was 520 respondents. The author, using drop-off and pick-up methods, distributed 520 questionnaires. Of the 520 questionnaires distributed, 402 were collected resulting in a 75 per cent response rate. The questionnaire was administered in Arabic. Since all respondents speak only Arabic, the questionnaire was translated from English into Arabic, and was validated by translation-back-translation to ensure that both versions are equivalent. Of the subjects are 99 (or 25.3%) women and 291(or 74.7%) men. Furthermore, the average age of the sample in this study is divided into eight categories. Moreover, at the top category is the one comprising respondents aged 31-36, which also took the highest proportion with 96 respondents, which was 24.6% of the total respondents.

In addition, the results indicate that 216 (55.4%) of the respondents had Bachelor degrees while 65 (16.7%) of them had Diploma Degrees. Master degrees made up 14.4%. A majority of the respondents (150 respondents or 38.5 %) worked in lower level positions. In addition, the results show that most of the respondents have an income over 61,000 YR. The main characteristics of the sample are presented in Table 1.

Table 1: Respondents' Demographic Profile

Demography	Category	Frequency	Percentage %
Age	20-25	22	5.6
	26-30	69	17.7
	31-36	96	24.6
	37-40	88	22.6
	41-45	66	16.9
	46-50	33	8.5
	51-55	10	2.6
	over 56	6	1.5
Gender	Male	291	74.6
	Female	99	25.4
Education level	Intermediate	8	2.1
	Secondary	36	9.2
	Diploma	65	16.7
	Bachelor	216	55.4
	Master	56	14.4
	Others	9	2.3
Job position	Employee	150	38.5
	Head of Dep.	85	21.8
	Manger of Adm.	91	23.3
	Vice Manger	17	4.4
	General Manger	25	6.4
	Others	22	5.6
Years of work	1 -3 Years	45	11.5
	4 - 6 Years	60	15.4
	7- 9 Years	49	12.6
	10 - 12 Years	58	14.9
	13-15 Years	58	14.9
	16- 19 Years	35	9.0
	20 and Above	85	21.8
Monthly salary	less than 30,000 YR	33	8.5
	30,000 YR - 40,000 YR	77	19.7
	41,000 YR - 50,000 YR	81	20.8
	51,000 YR - 60,000 YR	78	20.0
	Over 61,000 YR	121	31.0

Measures

Islamic work ethic (IWE) was measured using an instrument developed by Al-anezi and Al-adeem (2006), Alwan (2007), Ali and Al-Owaihah (2008), and the researcher doing some suitable adjustments to make the items more relevant to the present study. The four dimensions which consist of 24 items are emphasis on faith (*Iman*); proficiency (*Ihsan*); trustiness (*Amanah*); and attitude to time. Responses to these items were made on a five point Likert format which ranged from 5= strongly agree to 1= strongly disagree. The internal consistency reliability (Cronbach’s Alpha) for this scale in this study was 0.73, as shown in Table 2.

Job satisfaction (JS) which is the mediating variable in this study was measured using 19 items developed by Spector (1997), Lee et al. (2005), Al-anezi and Al-adeem (2006), Delic et al. (2014), in their study job satisfaction dimensions which were social atmosphere, work itself, and work conditions. The researcher used same practices to develop the questionnaire for this study. The internal consistency reliability (Cronbach’s Alpha) for this scale in this study was 0.84 (see Table 2). Same Likert scale was used.

Employees’ performance (EP), the researcher used 9 items, mainly from Kransz et al. (1995), Avolio and Bass (2004), Rego and Cunhan (2008) Alfandi et al. (2014) and UWE , to measure the performance. The researcher made a little modified for the items to be suitable for the society of the study. The internal consistency reliability (Cronbach’s Alpha) for this scale in this study was 0.77 (see Table2). Same Likert scale was used.

Table 2: Reliability of Islamic Work Ethics, Job Performance and Employees Performance

No.	Factor	No. of items	Cronbach’s α
1	IWE	24	0.732
2	JS	19	0.844
3	EP	9	0.771
Total		52	0.782

ANALYSIS

Descriptive Statistical Analysis

Descriptive statistical analysis including frequencies and percentages was used to present the main characteristics of the sample. Additionally, inter-correlations, *F*-statistics and moderated multiple regression were utilized to verify the research hypotheses.

Table 3 illustrates the mean for Islamic work ethics is 4.3638 and the standard deviation is 0.33520, which means that employees are highly committed to the Islamic work ethic. Job satisfaction has mean of 3.5064 and standard deviation of 0.64716 respectively, while employees’ performance has mean of 3.6241 and standard deviation of 0.60289. Results

show that employees in the ministries investigated are moderately satisfied with their jobs and committed to their performance.

Table 3: Mean and Standard Deviation for Islamic Work Ethics, Job satisfaction and Employees' performance

Variable	No. items	Mean Statistic	Std. Deviation Statistic
IWE	24	4.3638	0.33520
JS	19	3.5064	0.64716
EP	9	3.6241	0.60289

Correlation Analysis

The results obtained from correlation analysis show that a positive correlation exists between employees' performance with Islamic work ethics ($r= 30.8\%$). Islamic work ethics and job satisfaction are positively correlated as the results reported ($r= 24.1\%$) whereas the correlation between job satisfaction (the mediator variable) with employees' performance was positively, as the results were reported 40.7% which represents a high significance level (see Table 4).

Table 4. Correlation Analysis between Islamic Work Ethics, Job Satisfaction and Employees' Performance

Dimensions	IWE	JS	EP
IWE	1.000		
JS	0.241	1.000	
EP	0.308	0.407	1.000

Confirmatory Factor Analysis (CFA)

Confirmatory Factor Analysis is used to test whether measures of a construct are consistent with a researcher's understanding of the nature of that construct (or factor). Four criteria in this study are used as summarized in Table 1. The first criterion is CMIN/DF (chi-square fit index divided by degrees of freedom). The value of CMIN/DF in the range of 2 to 1 or 3 to 1 indicates acceptable fit between the hypothetical model and the sample data (Carmines & McIver, 1981). The second criterion is GFI (goodness-of-fit index). The GFI is acceptable or good when the value greater than 0.900. Although in this study, the value of GFI more than 0.900, it does not necessarily mean that the model has a poor fit because the GFI is scaled between 0 and 1; higher values indicating a better model fit (Miles & Shevlin, 1998). The third criterion is CFA (confirmatory factor analysis). The CFA is acceptable or good when the value greater than 0.900. Here the value of CFA more than 0.900. The last criterion is RMSEA (root mean square error of approximation). The RMSEA is acceptable or good when the value is less than 0.080 (Lee et al., 2010).

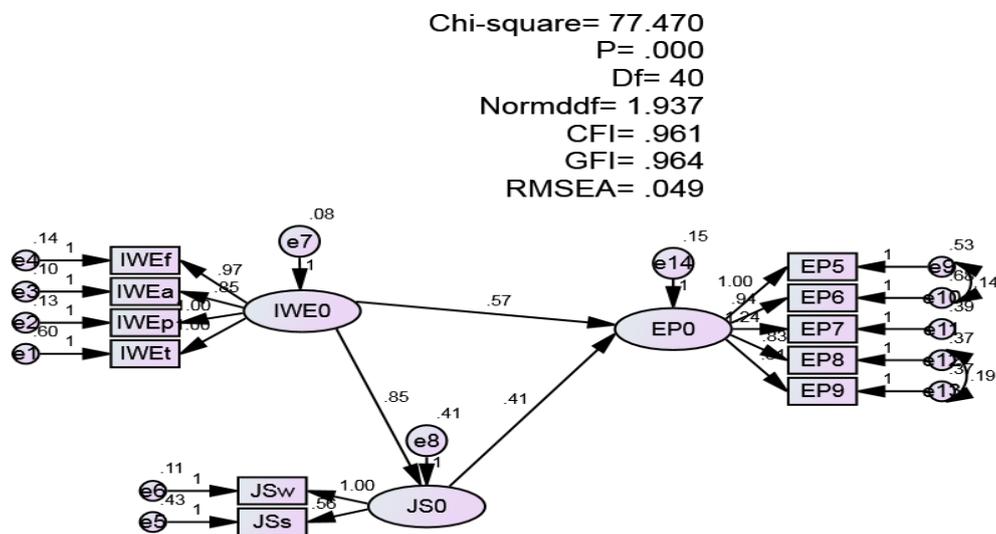


Figure 2 : Model CFA for All Construct

Table 5 : Result of CFA

χ^2	GFI	CFI	RMSEA
1.937	0.964	0.961	0.049

According to the result that has shown in Figure 2 and Table 5, indicating a sound fit of the data to the model. The chi-square goodness of fit is significant due to large sample size (Tabachnick & Fidell, 2007) and provides acceptable fit. As evidence of convergent validity, all items loaded on their pre-specified constructs. The goodness of the model fit ($\chi^2 = 1.937$, $P = 0.000$, $DF = 40$, $GFI = 0.964$, $CFI = 0.961$ and $RMSEA = 0.049$) confirmed the significant of the model.

Hypothesis Testing

Direct hypothesis results

The findings from the empirical study, as shown in this section, offered interesting results for discussion, which extended the earlier research in the areas of employees' performance. As noted in Table 6, three direct hypotheses related to the aims of this study were developed and tested. All of them were supported.

Table 6. Direct Hypotheses Testing Result for the Variables Relationship

Hypothesis	Exog.	→	Endo.	Estimated	C.R	P-Value	Status	Result
H1	IWE	→	JS	0.854	4.695	0.000	Sig.	Supported
H2	JS	→	EP	0.406	4.731	0.000	Sig.	Supported
H3	IWE	→	EP	0.570	3.601	0.000	Sig.	Supported

Based on the above results in Table 6, the rest of this section has been briefly explained, and the research findings of the three hypotheses have been discussed. Hence, the results show that Islamic work ethics was shown to have a significant and positive influence on JS ($P = 0.000$; $C.R = 4.695$), or H1 is supported. Job satisfaction in this study has a significant and positive effect on EP in Yemen ($P = 0.000$; $C.R = 4.731$), so H2 is supported. Perceived Islamic work ethics, on the other hand, has a significant and positive influence on EP ($P = 0.000$; $C.R = 3.601$), or H3 is also supported.

Indirect hypothesis results

Based on the positive direct relationship between the IWE, JS and EP, we examine the mediation effect of job satisfaction for the relationship of Islamic work ethics and employees' performance, and the finding, showed in Table 7, reveals a significant relationship and reveals that Islamic work ethics indirectly effects employees' performance through their impact on job satisfaction. Additinally, the standardized coefficient was 0.346 and was significantly more than 0.08 as well, the results reveals that H4 is accepted.

Table 7: Structural parameters of the mediation role of JS for the relationship of IWE and EP

Model	Direct effect	Indirect effect	Total effects	Significant of indirect effect	Mediation type
Islamic work ethics ---> job satisfaction	0.854	---	0.854	$P=0.000$ Significant	
Job satisfaction ---> employees' performance	0.406	---	0.406	$P=0.000$ Significant	
Islamic work ethics ---> employees' performance	0.570	.346	0.916	$P=0.000$ Significant	Partial Mediation
Via job satisfaction				More than 0.08	

According to the results above, job satisfaction was found to partially mediate the relationship between Islamic work ethics and employees' performance.

CONCLUSION

This study examines the impacts of the Islamic work ethic on both job satisfaction and employees' performance. It also explores the mediating effects of job satisfaction on the relationships between Islamic work ethics and employees' performance. This study obtained evidence that Islamic work ethic directly affects both job satisfaction and employees' performance, as well as partial mediation for job satisfaction on the relationship between Islamic work ethics and employees' performance. Furthermore, there is a positive and significant relationship between job satisfaction and employees' performance.

The results of this study have some implications, it proves that the overall governmental performance and high level productivity can be achieved if government can try to improve and enhance Islamic work ethics and job satisfaction. The study indicated that employees' awareness and implementation of the work ethics based on the Islamic principles would stimulate and enhance performance of such employees. In the same context, implementation of IWE in the governmental sector can further strengthen employee job satisfaction and consequently enhance performance and high productivity.

The findings and conclusions of this study are only suggestive and should be interpreted keeping in mind the following limitations:

- 1- This study was conducted in Yemen on seven different ministries of the governmental sectors and although out of a sample of 520 as many as 402 (75%) responded but the capacity for generalization across the public sector in Yemen is guaranteed.
- 2- Only four Islamic work ethics dimensions i.e. fair (*Iman*), proficiency (*Ihsan*), trust (*Amanah*) and attitude of time, two job satisfaction dimensions (social atmosphere and work environment) and employees' performance through five items have been used for this study. The remaining dimensions have been ignored.

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