Moderating Role of Islamic Work Ethics between the Relationship of Organizational Commitment and Turnover Intentions: A Study of Public Sector of Pakistan.

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Abstract
Organizations are facing the problem of low productivity, low performance. Turnover intention might be one of the reasons for it. The question arises why employee’s quitting or thinking to quit the job from their organizations, for this work ethic during the job is might be one of the important reasons. The purpose of this study is to investigate the moderating effect of Islamic work ethics between the relationship of organizational commitment and turnover intention. The study used a snowball sampling technique for collecting data from 460 federal government organizations and provincial government organizations from Pakistan. The results reveal that Islamic work ethics will moderate the relationship between organizational commitment and turnover intention. Discussion, Implications and limitation of the study are also discussed and given at the end.

Keywords: Islamic Work Ethics (IWE), Organizational commitment (OC), Turnover Intention (TOI), Public sector organizations, Federal government organizations, provincial government organizations, Pakistan.

Introduction
One of the important problems faced by any organization is to develop their employees and to retain them as well. According to Rahim et al (2012) we can see a huge difference while comparing today’s workforce with previous one. One important factor in this situation is that baby boomers are now leaving/retired from organizations and family life style is now changed (Dychtwald and Flower, 2006). According to Jamrog (2004), new workforce is not competent and as compare to previous one and 23% of the work force not find a suitable job. According to Aslam (2012) Employees are the most important assets for any organization and their behavior not only affects themselves but also affect the organizational performance. According to Zuboff (1983) due to industrialization on 18th century new types of work demanded from the work force. One of the reasons for this is work force diversity because after the expansion of
business Multinational Corporations or for those countries which have not enough resources in terms of skilled labor need more work forces. So, they import labor/skilled employees from another part of the world for e.g. U.S.A and European countries. Organizations face ethical issues frequently and due to this organization performance declines and sometimes even their survival question’s raised (Marri et al, 2012) and also due these unethical practices affected perception of public as well.

This 20th century witnessed dramatic changes in not only for government owned organizations but also for private businesses. According to Rokman & Omar (2008) after the failure of one of the biggest corporations like Enron and WorldCom researcher community showed a great interest in the area of ethics. According to Randall & Cote, (1991), work ethics can motivate employees to perform better and get committed to their respective jobs. In Pakistan we have many examples of failure of government owned organizations like Pakistan steel Mill, Pakistan International Airline, and Pakistan Railways etc. Lots of research has been done in the area of business ethics but mostly it’s limited to Europe and U.S.A (Rice, 1999). These researches follow the Weber Max’s theory and Protestant Work Ethic (PWE) Ahmad (2011). (Yousaf, 2001) argued that European countries follow the PWE for job satisfaction and job commitment. But these work ethics is limited for western societies and there is a huge gap for people who have faith on Islam for those who belong to Islamic religion (Rakhman, 2010). From the Holy Qur’an and Sunnah we come to know that ethics is considered to be the main objective of Islam (Marri et al., 2012). Islam teaches how to behave with your elders, your colleagues. Muslim scholars have realized the importance of Islamic work ethics because it is an integral part of Islam and it is beneficial for people for all walks of life (Marri et al., 2012).

Pakistan is located in at very important geographical location of the world and has a population of more than 180 million (official population clock, 2012). Most researches have been conducted in the private sector as our telecom and banking sector (Chughtai & Zafar 2006; Bashir & Ramay, 2008; Riaz & Ramay, 2010). But the research on Islamic work ethics is very limited (Haroon et al., 2012; Marri et al., 2012; Zaman et al 2012). One of the important reasons for conducting this study to find the moderating role of IWE on organizational commitment and turnover intention which have not been studied so far especially in Pakistan. The other important reason for conducting this research is to collect the data from the public sector of Pakistan because the public sector is one of the major sources of employment in Pakistan and millions of people earn their living from this sector. The employees of this sector are responsible for implementing the decision made by federal government or provincial government and also to facilitate the general public of Pakistan. Mostly researcher hesitates to collect the data from this sector because the offices are located all over the Pakistan and it is a time consuming process. So, researchers mostly collect the data from the private sector. The purpose of this study to investigate that does Islamic work ethics moderates the relationship between Job satisfaction and organizational commitment.

Literature Review

Turnover Intention

Fishbein (1967) stated that turnover intention is an attitude of employees for quitting a job.

The desire/willingness to quit a job after thinking and planning is called turnover intention (Mobley, 1977). It is very risky for any type of organization because it required more time; cost for recruiting new employees and to train them. So, turnover intention becomes an important variable for organization and research community to identify the reasons for quitting a job. Turnover intention is a common problem for any type of organizations (Lucas et al., 1987).

Past researches showed that there is a significant negative relationship between turnover intention and organizational commitment (Rokman and Omar, 2008; Ahmad 2011; Rehman, 2012) which means that if employees are more committed with their jobs and organizations the chances of turnover is decreased.

Organizational commitment

Organizational commitment is one of the important variables of behavioral research because it shows a relationship with turnover intention (Angel& Perry, 1981; Bluedom, 1982; Porter & Steers, 1973).

The initial definition of organizational commitment is only related to turnover intention cost (Becker, 1960) or emotional attachment for organization (Porter et al., 1974).

Organizational commitment is employee’s strong faith in organizations goals and values and their efforts to make organization prosperous and also their strong desire to maintain their relationship with the organization (Hunt and
Morgan, 1994). It is a mindset of employees to commit to their respective organization (Moorhead and Griffin, 1995; Northcraft and Neale, 1990). The more the employees commit will increase the chances of organizational success.

Meyer and Allen (1991) developed a three dimension model of commitment namely as affective, normative and continuance commitment. Affective commitment shows emotional attachment of employee with an organization (Meyer & Allen, 1997; Mowday, et al., 1982). Continuance commitment is related with cost bear by employee for leaving organization for e.g. promotion, seniority and other fringe benefits and continuous commitment shows an employee’s feeling regarding responsibility and to support the organization (Meyer & Allen, 1991; 1997). Those employees, who are committed to their organization, easily accept and stick with organizational goals and objectives (Valentine et al., 2002).

The more the employees will commit to their organization there is a less chance of turnover intention. The study of Mowday et al., (1982) found a highly significant inverse relationship between organizational commitment and turnover intention also these results supported by the study of Cotton and Tuttle, (1986). Many research studies also been conducted in Pakistan on this Important variable and result reveals the same as in another world for e.g. Marri et al., 2012; Ali and Blaoch; Maqbool et al., 2012; Mansoor et al., 2011 and Malik et al., 2010 etc.

The study of Marri et al., (2012) and the study of Harron & Zaman (2012) found a strong positive relationship between Islamic Work Ethics and organizational commitment which showed that both these variables are very important to control turnover intention of employees.

Islamic Work Ethics

Due the expansion of business and globalization researcher becomes more interested in the area of ethical behavior and social responsibility (Jones, 1991). The word ethics we generally mean the study of right and wrong for individuals. According to Beekun (1997), ethics is normative filled because it advises what one should do and what should not. The IWE & PWE both emphasize on hard work, dedication to one’s own works, commitment, cooperation during work and not supported by unethical way of getting wealthy (yousef, 2001). Weber theory argues that Islam is not able to make values such as PWE for no of reasons for e.g.

Sufism is not supported to participate in world matters, Islam (Arslan, 2000), these will rejected by Islamic scholars because Islam strongly believes in hard work and welfare of the society. Abeng (1997), supported this view that one cannot spend his or her life without the help of the others. The earlier study conducted by Ali (1988), also supports this view after proved that Arabs manager are more productive than western mangers.

Ahmad (1976), in a view that Islamic work ethics is not only about how to spend life but also provides courses of action for the business. Islam has its own ethical system which suggests guidelines and strategies for conducting business and work (Rice, 1999). According to Ali, (2008), IWE is a guideline to believers of Islam which influence and tells them how to participate and get involved in their workplace. IWE is basically based on the teaching of the Holy Qur’an and the preaching of Holy Prophet (P.B.U.H) and his companions (Rizk, 2008). According to Hayaati (2007) IWE means good values of an individual’s actions, attitude and thinking. Previous researches showed that IWE is positively correlated with organizational commitment (Marri et al 201; Zaman et al 2012; Rokman and Omar 2008, etc). So, in this research study we are trying to investigate that whether and how Islamic work ethics moderates between the relationship of Organizational commitment and turnover intention.

Theoretical Frame Work

![Theoretical Frame Work Diagram]

**Independent Variable**

Organizational Commitment

**Dependent Variable**

Turnover intention

**Moderating Variable**

Islamic Work Ethics

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Based on above discussion the following hypothesis have been formulated:

- **H1**: Organizational commitment has a significant negative relationship with turnover intention.
- **H2**: Islamic work ethics have a significant negative relationship with turnover intention.
- **H3**: Islamic work ethics have a significant positive relationship with organizational commitment.
- **H4**: if Islamic work ethics are practiced it will decrease turnover intention.
- **H5**: Organizational commitment will decrease turnover intention.
- **H6**: Islamic work Ethics moderates the organizational commitment and turnover intention relationship.

**Methodology**

**Sample and Data collection**

The total population includes respondents from the full time Federal Government employees and Provincial Government employees. Data was collected from 30 Federal and Provincial Government organizations. A snowball sampling technique was used to collect the data for the reason is that the data collected from all over the Pakistan. In this study 700 questionnaires were distributed and 520 were retrieved with a response rate of 74%. Of the retrieved questionnaires 460 were available for further analysis with an actual response rate of 66%. Total duration of data collection is almost three months from October 2012 to December 2012.

**Measurement**

27 item instrument was used in this study for finding the relationship among the variables of this research study. For measuring Islamic Work Ethics a shorter version developed by Ali (1992) were used after some modification for e.g. I think, one should carry work out to the best of one’s ability. In Pakistan this shorter version also used in the study of Marri et al., (2012); Haroon et al., (2012); Zaman et al., (2012) etc. Turnover intention was taken from the study of Taner & Sezen (2008). Organizational commitment measured from the scale developed by Bozeman & Perrewe, (2008) also used by Rokman (2010) and Marri et al., (2012). A five point Likert scale is used in this study, ranging from 1 (strongly disagree) to 5 (strongly disagree).

**Moderating Effects of Islamic Work Ethics**

The moderating model was developed with the help of the steps identified by the study of Baron and Kenny (1986). Following are the three steps for measuring moderation:

1. **Path – a**, measuring the impact of organizational commitment
2. **Path – b**, measuring the impact of Islamic work Ethics
3. **Path – c**, the product of both a & b i.e. Organizational commitment and Islamic Work Ethics

Baron and Kenny (1986) suggested that the moderation is only supported when the interaction of path a – c is significant (p < .05).
Analysis

Statistical analysis is done for this study while using SPSS 17 in following steps:
1. The first step for finding reliability of the scale.
2. The second step for finding descriptive statistics which include Mean, standard deviation and demographics.
3. Third steps for finding correlation among the study variables
4. Fourth steps for finding Regression analysis which includes Model summary, ANOVAs & Coefficients.

Results

74.4% of the respondents are married. The majority of the respondents is male (75%) which shows that they get the majority of the jobs in the public sector of Pakistan. More than 35 % people are falling in the age group of 30-39 years. Employees of public sector get a good level of education as shown in table 1 that 53 % of the respondents have a master's level education.

Table 1 Demographic Characteristics of the Sample

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>345</td>
<td>75</td>
</tr>
<tr>
<td>Female</td>
<td>115</td>
<td>25</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PhD/M. Phil</td>
<td>69</td>
<td>15</td>
</tr>
<tr>
<td>Masters</td>
<td>244</td>
<td>53</td>
</tr>
<tr>
<td>Graduates</td>
<td>97</td>
<td>21</td>
</tr>
<tr>
<td>Undergraduates</td>
<td>50</td>
<td>11</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29 years or less</td>
<td>110</td>
<td>24</td>
</tr>
<tr>
<td>30 – 39 years</td>
<td>161</td>
<td>35</td>
</tr>
<tr>
<td>40 – 49 years</td>
<td>90</td>
<td>19.5</td>
</tr>
<tr>
<td>50 &amp; above</td>
<td>99</td>
<td>21.5</td>
</tr>
<tr>
<td><strong>Length of Employment</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 years or less</td>
<td>235</td>
<td>51</td>
</tr>
<tr>
<td>6 – 15 years</td>
<td>103</td>
<td>22.4</td>
</tr>
<tr>
<td>16 &amp; above</td>
<td>122</td>
<td>26.6</td>
</tr>
<tr>
<td><strong>Marital Status</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>342</td>
<td>74.4</td>
</tr>
<tr>
<td>Unmarried</td>
<td>118</td>
<td>25.6</td>
</tr>
</tbody>
</table>

The reliability of the variables is shown in Table II for e.g. Cronbach’s alpha for IWE is .79 and for TOI is .86 and it meets the minimum acceptable level recommended by Nunnally, (1978).

Arithmetic means shows that people are agreeing with the statements mentioned in this study for e.g. IWE mean is 3.93. It also showed that respondents have a strong belief in Islamic Work Ethics. The standard deviation showed that there is not much greater variation among the mean of study variables for e.g..67 for Organizational Commitment.

For Correlation, Pearson Correlation matrix is used in this study. Table II shows a negative relationship between organizational commitment and turnover intention (-.264) at a high significant level (p = .01). Result rejects our Ho and accepts H1 i.e. Organizational commitment has a significant negative relationship with turnover intention. The study of Yousef, (2000) with a sample of 474 employees of the UAE also proved a positive relationship between IWE and OC at a highly significant level. The negative relationship between OC and TOI also found in the study of Rokman and Omar, (2008), which is closed to our results (-.292) at a significant level and same in other research studies like Ahmad, (2011); Baloch and Ali; Mqbool et al., (2011) and Rehman, et al., (2012) the relationship is -.44, -.39, -.349 and -.386 respectively.
Islamic work ethics and turnover intention shows an inverse relationship between two variables (-.15) at significant level P = .01), the results showed that if Islamic work ethics increase in public sector organization it will decrease turnover intention of employees. So, our 2nd hypothesis H2 is accepted. The 3rd hypothesis of the study is, Islamic work ethics have a significant positive relationship with organizational commitment. Table 2 showed a strong positive relationship between these variables (.53), at a significant level (p = .01). So, our H3 is also accepted as shown in Table II. The result supports other studies such as Marri et al., (2012) and Rokman and Omar, (2008).

Table II. Mean, Standard Deviation, Cronbach’s Alpha & Correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>S.D</th>
<th>Cronbach’s Alpha</th>
<th>No. of Items</th>
<th>1</th>
<th>2</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover Intention</td>
<td>2.6</td>
<td>1.02</td>
<td>.86</td>
<td>5</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>3.79</td>
<td>.67</td>
<td>.71</td>
<td>5</td>
<td>-.264**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Islamic Work Ethics</td>
<td>3.93</td>
<td>.48</td>
<td>.79</td>
<td>17</td>
<td>-.15**</td>
<td>.53**</td>
<td>1</td>
</tr>
</tbody>
</table>

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

After correlation analysis among the study variables the simple regression analysis has been done with the help of SPSS. Regression analysis between Islamic work ethics (Independent variable) and turnover intention (dependent variable) proves that Islamic work ethics will decrease turnover intention with significant value (p = .003) in ANNOVA (table III). The result showed that IWE will decrease .32 units of TOI (table IV). So, our fourth hypothesis are also accepted.

Regression analysis also supports our 5th hypothesis that organizational commitment will decrease turnover intention at a highly significant level (F = 29.458, p = .000) in ANNOVA (table III) and it shows almost .40 units decrease due the relationship between Independent (OC) and dependent variable (TOI) as shown in table IV. The results support the study of Rehman et al., (2012), where it is (.24) at a significant level of (.003).

The significance value of IWE X OC is (p=.000) at ANNOVA (F=16.996) proved that Islamic work ethics will moderate the relationship between organizational commitment and turnover intention. It showed that the joint effect of IWE X OC will decrease -.45 units in turnover intention as shown in Table III & IV. So as a result our H6 is also accepted at a highly significant level (p = .000).

Table III. Regression

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted RSquare</th>
<th>Std. Error of Estimate</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>IWE</td>
<td>.15</td>
<td>.02</td>
<td>.02</td>
<td>1.0098</td>
<td>8.852</td>
<td>.003</td>
</tr>
<tr>
<td>2</td>
<td>OC</td>
<td>.26</td>
<td>.07</td>
<td>.067</td>
<td>.9848</td>
<td>29.458</td>
<td>.000</td>
</tr>
<tr>
<td>3</td>
<td>IWE X OC</td>
<td>.20</td>
<td>.04</td>
<td>.039</td>
<td>.99968</td>
<td>16.996</td>
<td>.000</td>
</tr>
</tbody>
</table>

Predictors: Islamic Work Ethics, Organizational Commitment, Islamic Work Ethics X Organizational Commitment
Dependent Variable: Turnover Intention

Table IV. Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Variables</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Std. Error</td>
<td>B</td>
</tr>
<tr>
<td>1</td>
<td>IWE</td>
<td>-.32</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>OC</td>
<td>-.40</td>
<td>.07</td>
</tr>
<tr>
<td>3</td>
<td>IWE X OC</td>
<td>-.45</td>
<td>.11</td>
</tr>
</tbody>
</table>

Predictors: Islamic Work Ethics, Organizational Commitment, Islamic Work Ethics X Organizational Commitment
Dependent Variable: Turnover Intention
Discussion, Implication and Recommendations, limitation of the study

Discussion

Federal government and provincial government employees of Pakistan achieve high on the IWE scale as shown by men which means they are very much supportive of the idea that Islamic work ethics should be encouraged in their respective organizations. The mean of organizational commitment is also shown that the respondents of the study are committed and loyal to their job and organization. The results of the study showed that there is positive relationship between Islamic work ethics and organizational commitment which means, both of these variables are very helpful to control turnover intention of employees in any organizations. The results of this research study support the previous researches such as the study of Marri et al., (2012); Zaman et al., (2012); Ahmad, (2011); Baloch and Ali; Mqbool et al., (2011); Rokman and Omar, (2008), and Rehman, et al., (2012) etc.

The main purpose of this study was to check the moderating effect of Islamic work ethics between organizational commitment and turnover intention which proved statistically. The outcomes of this study showed that the joint effect of Islamic work ethics and organizational commitment will decrease turnover intention in public sector organizations. It shows that the joint effect of Islamic work ethics and organizational commitment to control turnover intention of employees for every type of organization, which will not only beneficial for organizations but also for their workforce for achieving their common goals.

Implication & Recommendations

Practical evidence of the study support that for minimizing a turnover intention problem which has been faced by today’s organizations, especially those organizations which located or conducting their business in Muslim countries the management should follow Islamic work ethics while assigning a job/work, promotion of their employees. Sometimes bonuses or awards were given to outstanding employees to increase the commitment level of employee but this idea will not highly supported by government organizations and if these incentives were given, mostly its for favorite peoples, this idea should be adopted in true spirit it will helpful for minimizing the chance of turnover. The culture of equality should be encouraged for all employees. Sometimes, organization and employees face cultural problems while conducting businesses or doing jobs, but if organizations support Islamic work ethics it will definitely decrease this problem because the work ethics of Islam is not only for countries it is for all Muslims and for non-Muslims also. Islamic work ethics are also beneficial for business concerned organizations, because when employees knows favoritism will not exist in their respective organizations, now they are more committed and as a results organizations performance will improve. Islamic work ethics will also helpful for controlling the problems of workforce diversity.

Limitations of the study

This study has some limitation for the generalizability of the results. The sample taken from only the public sector of Pakistan the same model with sample from the private sector should be taken in generalizing of this study. The study is conducted in Pakistan the future study should be conducted in other countries. The snow ball sampling techniques used in this study, future studies should consider other types of sampling. The moderating effect of Islamic work ethics may also be examined with other variables such as, job satisfaction, organizational culture, organizational politics, favoritism etc.

Reference


