

## THE IMPACT OF ISLAMIC WORK ETHICS ON EMPLOYEES PERFORMANCE (The Case Of The Staff Of The Deputy Director Of Management Development And Taxation Resources Of The Organization Of Tax Affairs)

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### ABSTRACT

Employees' attitudes and values play an important role in their behavior in the organization, and organizations will have no positive performance without a committed and ethical staff. Ethics is one of the most important principles that Islam insists on. The purpose of the present study is to identify the importance and impact of work ethics by emphasizing the principles of Islamic ethics on employee organizational commitment and mediating role in It as a business matter.

The statistical population of the study is the staff of the Deputy Director of Management Development and Taxation Resources of the Organization of Tax Affairs. Using Cochran formula, 127 people were selected as sample. The data collection tool was a questionnaire with convergent and divergent validity and Cronbach's alpha coefficient and reliability evaluated. Data analysis was performed using structural equation modeling using PLS software given.

**Key Word:** Work ethic, Islamic work ethic, organizational commitment, job involvement

### 1. INTRODUCTION

Islamic Work Ethics(IWE) is an important Factor for trend toward Job, and Job as a virtue in Human life (Farzin & Hooshmand, 2017) .Study on work ethics has received serious attention among researchers. Work ethics reflects an important role in the working attitudes (Siswanto et al. 2019). Islamic work ethics and Islamic spirituality concepts were undertaken through tawhidic paradigm and values (Suib & Said, 2017). Islamic work ethics can give a positive effect on job satisfaction and organizational commitment (Rokhman, 2014).

Islam is the second-largest religion of the world, after Christianity and more than one-fifth of the total population of the world, is Muslim (Maoz & Henderson, 2013; Johnson & Grim 2013; Minhat & Dzolkarnaini, 2016). Religion is a major source of work ethics (Murtaza et al., 2016). Paying attention to Islamic work ethics could benefit the employers (organizations) as they could improve their employees' job performances through improving the employees' commitment in fulfilling their job and responsibilities. Thus, any future problem pertaining to low productivities and low commitment could be prevented and cured easily simultaneously increases production and helps to reduce idleness and tardiness happen at their workplace. Besides, the organizations can apply and

instill this Islamic Work Ethics in the workplace to achieve the organizations' goals and objectives (Ahmad et al., 2020).

Teachings of Islam have stressed its followers to work with full sincerity and devotion toward their employer. Rice (1999) stated that as the Holy Qur'an guided in all aspects of human life, some ethical principles may be drawn from it (e.g., work quality, seeking knowledge, satisfying trust and workplace requirement, giving full quantity and weight). By affecting thoughts and, consequent actions, followers of this philosophy were to bring good for them, for their organization and society (Murtaza et al., 2016). So, Islam is a natural contender to be explored for its work ethics and it was expected to provide unique work ethics (Syed and Azam, 2019).

Employers also would be able to improve their management approaches especially their treatments towards their employees. Through this, employers could create a comfortable and friendly working environment which encourages employees to complete their task. Furthermore, the IWE could be beneficial to the economy as well because high organizational commitment leads to better production in work. Basically, the employees would have better performances in their jobs which lead to high productivities. It could improve their businesses due to their better quality of work and reduce the problem of low commitment and low productivity in the workplace. Having more ethics could strengthen the discipline of the employees to be a better individual as well as the citizen of the organization and encourages them to perform better in their respective workplace (Ahmad et al., 2020).

## 2. THEORETICAL FOUNDATIONS AND RESEARCH BACKGROUND

### 2.1. Work Ethic

Attention to ethics is a serious work in organizations that today attracts the attention of organizations more than ever. The growth of human resources in an organization not well understood without regard to work ethics. Some researchers said: Work ethics is a cultural norm that gives positive spiritual value to doing the right thing in society, believes that work itself has an intrinsic value (Banisi, 2019). Some researchers believe that work ethics as an range of the culture of an organization generally means correct diagnosis from the wrong one in the workplace and thus the action of what is right and what is wrong (Shabanibahar et al., 2018). Some other researchers said: In other words, ethics is a set of principles and standards of human behavior that determines the behavior of individuals and groups .

Managing ethics in the workplace has many benefits, including:

- ✓ Ethical programs make the organization maintain its ethical performance in turbulent conditions.
- ✓ Ethical programs create strong teamwork and increase productivity.
- ✓ Ethical programs are the cause for the growth of staffs.
- ✓ Ethical programs coordinate employee behavior with values that the organization's
- ✓ leaders consider priorities.
- ✓ Ethical programs help create a positive image of the organization in the people's eyes (Banisi, 2019).

According to the behavioral ethos of work, the probability of doing other ethical work reinforced when a person has done ethical work and encouraged by senior executives, To the extent that moral work becomes intrinsic values. Therefore, senior executives of organizations will be able to internalize work ethic in staff. Thus, the internalization of work ethic in the staff makes it possible for the individual to recognize the value of the organizational and professional mission within his organization and to do so for the value that this work entails. (Hermes and Ahmadi, 2016).

The findings of a study indicate that the level of mental health increases in staffs with increasing work ethic, and vice versa (Taghvaei, 2016).

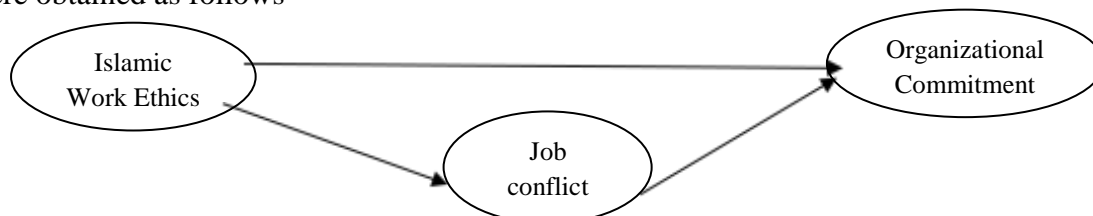
## 2.2. Islamic Work Ethics (IWE)

IWE considers work as an obligatory activity that shows as a desirable quality of the person; it can be used by individuals as a strength in his/her social life. By establishing spirituality in the workplace, some employees are more connected (mentally, emotionally, and physically) to work. The components of organizational commitment posited by Mowday, Porter, and Steers (1982) are aligned closely with the IWEs principles, such as a strong acceptance of the organization's goals and values, a strong desire to maintain relationships in the organization and a willingness to exert considerable effort on behalf of the organization. Kaptein (2008) asserted that organizational commitment may create a work environment that encourages social processes, work regulation and ethical behavior in an organization. The more the employees experience personal satisfaction at work, the more they feel committed to the organization. The IWE has relations to various situational characteristics, attitudes and behaviors of employees including the organization commitment (Nasution and Rafiki, 2019).

Some researchers said: In the Islamic work, which is rooted in the teachings of the Qur'an and the Prophet of Islam followings take to account: avoidance of laziness, effort for the well-being, self-affirmation of the society, the legitimate and godly work, the accuracy in the correctness of the work done, the avoidance of low deception Work on altruism and humanity during work (Banisi, 2019). Some other researchers have stated that today's employers need employees who have a positive attitude to work ethics in their religious affairs (Hill and Rojewski, 2014).

## 2.3. Theoretical Model of Research

Based on the results of previous research, the theoretical model of the research and the hypotheses were obtained as follows



## 2.4. Theoretical Model of Research (Researcher-Made)

Hypothesis 1: Islamic work ethics affects organizational commitment

Hypothesis 2: Islamic work ethics affects employee engagement

Hypothesis 3: Job involvement affects organizational commitment of employees

## 2.5. Research method

The present study is applied in terms of purpose and descriptive in nature. According to the survey, it is a descriptive-survey. The statistical population of the study is the Deputy of Management Development and Resources of the Tax Affairs Organization with 190 employees. Cochran formula was used for sampling which is one of the most used sampling methods and the sample size was 127 persons. The subjects were randomly selected and the data collection tool was a questionnaire. Porter's organizational commitment questionnaire consisted of 15 questions was used to measure organizational commitment variable. This questionnaire has been used by many researchers at home and abroad and its validity and reliability have been reported. The Rizek questionnaire was used for measuring Islamic work ethic variable with 16 questions. This questionnaire is non-component and assesses Islamic work ethics in general. To measure occupational involvement variable, the 10-item Kunggos questionnaire was used. The scale for measuring variables is based on a five-point Likert scale ranging from strongly disagree to strongly agree and how to score questions from 1 to 5.

Questionnaires were sent to sample members and 100 questionnaires were analyzed. Structural equation method and SPSS software were used for data analysis.

In order to formally validate the questionnaire, two management professors and two administrative experts with over twenty-five years of work experience, education, and senior and middle management experience will be asked to answer the questionnaire questions as well as sixteen items from the questionnaire. Questionnaires related to Islamic work ethics Questions about Islamic work ethics were also sent to two university clerics, which resulted in improvements to the wording, the transposition of questions in the questionnaire, and the use of more appropriate words. Finally, the face validity of the measurement instrument was confirmed by removing one question from organizational commitment questions and making the above changes.

In confirmatory factor analysis, the closer the factor load to the number one indicates that the questionnaire questions have a stronger relationship with the present variables, and if the factor load factor is zero means no correlation between the question with the present variable. A factor load of less than  $\frac{1}{4}$ . It is considered small and should be removed from the model (Bern, 2010). In the present study, questions 1, 9, 26, 27, 30, 32 and 36 considering factor loadings less than  $\frac{1}{4}$ . Excluded from model. Cronbach's alpha coefficients and composite validity of each construct were used to evaluate the reliability of the research instrument. The results are as follows.

## 2.6. Quality of Indicators

	Mean variance extracted	Combined credit	Cronbach's alpha
Islamic Work Ethics	56/.	86/.	820/.
Organizational Commitment	50/.	85/.	820/.
Job involvement	58/.	809/.	744/.

For the combined validity of values greater than  $\frac{1}{7}$ . It is acceptable (Fornell & Larker, 1981) that here more than  $\frac{1}{7}$ . is. Also Cronbach's alpha of the research structures exceeded  $\frac{1}{7}$ . Is.

The convergent validity of the extracted mean variance criterion is used, which is more than 0.5. And in the present study more than this value was obtained. In the diagnostic validity of the two criteria used a) cross-load of the items b) correlation between structures. In examining the intersectional load of each item on its structure and other structures, the factor load of each item on its structure must be at least  $\frac{1}{4}$ . More than its factor load on other structures, the above criterion was evaluated in the present study.

In examining the correlation between structures, the root mean square of variance extracted (written in matrix diameter) should be greater than the correlation of one structure with other structures.

## 2.7. Results of the second criterion for diagnostic validity

	Job involvement	Islamic Work Ethics	Organizational Commitment
Organizational Commitment	707/.		
Islamic Work Ethics	561784/.	748/.	
Job involvement	524214/.	433939/.	761/.

The above table shows the second criterion of diagnostic validity and thus the reliability and validity of the appropriate research measurement tool are evaluated.

## 3. FINDINGS

After examining the measurement model, it is time to examine and test the structural model. Structural equation modeling is a powerful statistical technique that combines the measurement model (confirmatory factor analysis) and the structural model (regression or path analysis) with a concurrent statistical test (Azar et al., 2012). Structural model testing or research hypotheses, including path coefficients (Beta), significant coefficients of path coefficients and explained variance values. The quality of the structural model is determined by the acetone-geyser coefficient, which is the same as the verification of viscosity or redundancy. The following coefficients of path

and variance are explained after pls algorithm implementation. The t-values obtained from the Bootstrap test indicate that the values are more than 1.96 at the 0.05 level. And it's less meaningful.

Demographically, 48% of respondents are over 35 years of age. In terms of education, 45% have a bachelor's degree and 25% have a master's degree, and 38% of respondents have a work experience of more than 15 years, which increases the validity of the answers. Among the respondents, 68% were male who answered the questions. The demographic status of the respondents, especially their work experience and education, indicates a good situation in the present study.

The research hypotheses are as follows:

Hypothesis 1: Islamic work ethics affects organizational commitment

### 3.1. The Significant Regression Coefficient of Islamic Work Ethics on Organizational Commitment

Hypothesis	Route	Regression coefficient	Significance t-statistic	Result
First	Islamic work ethics has an impact on organizational commitment	412/.	268/3	approved

Based on the regression coefficient shown in the table above and considering the t-statistic less than the critical value, it can be concluded that this coefficient is significant.

Hypothesis 2: Islamic work ethics affects employees' job engagement

### 3.2. Significance and Significant Regression Coefficient of Islamic Work Ethics on Job Involvement

Hypothesis	Route	Regression coefficient	Significance t-statistic	Result
Second	The ethics of Islamic work have an impact on job engagement	434/.	098/4	approved

Based on the regression coefficient shown in the table above, and with respect to the t-statistic less than the critical value, it can be concluded that this coefficient is significant.

Hypothesis 3: Job involvement affects organizational commitment

### 3.3. Regression coefficient and significance of job involvement on organizational commitment

Hypothesis	Route	Regression coefficient	Significance t-statistic	Result
Third	Job involvement affects organizational commitment	345/.	342/2	approved

Based on the regression coefficient shown in the table above and considering the t-statistic less than the critical value, it can be concluded that this coefficient is significant.

Also, to check the quality of the structural model, the following table shows that the redundancy validity index of the dependent variable is positive, so the structural model is of good quality, which means that the independent variables have the ability to predict the dependent variable of research.

### 3.4. Results of measuring quality of measuring instruments

	Sum of observation squares for each variable block now	The sum of squares of the prediction errors for each variable block now	Redundancy credit check
Organizational Commitment	000000/1100	389161/854	223283/.
Islamic Work Ethics	000000/1400	493776/1160	171076/.
Job conflict	000000/700	534927/598	144950/.

#### 4. CONCLUSIONS AND SUGGESTIONS

The purpose of the present study is to identify the importance of the impact of Islamic work ethics on organizational commitment of employees directly and indirectly in the development of management and resources of the tax administration. Undoubtedly, the values and attitudes of individuals will play an important role in their behavioral orientations, and without a dedicated and ethical staff with a positive attitude to work, no good performance will be achieved in the organization. Ethics in practice or work for God is one of the fundamental tenets of Islam which has given this heavenly school a special clarity and separated it from other schools in the social, religious and moral contexts. In fact, ethics is one of the most important principles that Islam invites. Therefore, in the present study, Islamic work ethics was considered as the main and predictive variable and the results showed that Islamic work ethics directly and indirectly influenced organizational commitment through engaging employees in their job.

This study can be a starting point for examining Islamic work ethics in the administrative system of the country and its measurement and measurement in organizations should be considered more than ever. Nowadays, work ethics is the missing link in organizations and this can be of more interest to managers than to the development of Islamic work ethics with concepts such as hard work, work for God's pleasure, satisfaction of God's creation, and laziness and laziness in work. Take action. The results showed that Islamic work ethics can enhance organizational commitment. Therefore, according to the results of the present study, the following are some practical suggestions:

- ✓ Incorporate the ethical standards and principles of work with the Islamic approach into the organization's ethical charter, and first of all, as a model, adhere to these principles.
- ✓ Conduct training courses on familiarity with Islamic work ethics and follow up on a continuous and serious follow-up of staff.
- ✓ Encourage a spirit of effort, perseverance, and laxness in the workplace environment, and reinforce the value and importance of working with God's will and the source of human happiness in the culture of the organization.
- ✓ Increase the use of religious programs, texts, books, and traditions related to Islamic work ethics among staff.

Therefore, it is recommended that more organizations be examined with different conditions and environments and larger samples be used to test hypotheses. In order to generalize the results of the present study, further research in different organizations is necessary.

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