

The Influence of Islamic Work Ethic on Attitudes Towards Changing Organization With Organization Commitment as Mediator

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Abstract. This study is projected to investigate the Islamic organization, namely Universitas Muhammadiyah Purwokerto (UMP). The objective of the study is to analyze the impact of Islamic work ethic toward organizational commitment and attitude on organizational change; to obtain the impact of organizational commitment toward attitude on organizational change and as a mediator between Islamic work ethic and attitude to organizational change. The research population for this study is all of the non-contract employees in UMP in April 2012 with 171 employees. Data were collected using questionnaires, with 112 respondents as samples. Data were analyzed using Partial Least Square (PLS) method, with a significant degree at 95%. The result of the analysis supported one hypothesis but it did not support three hypotheses that were proposed in this research. It was found that there was an Islamic work ethic that significantly impacts upon organizational commitment; Islamic work ethic did not significantly impact on attitude to organizational change; organizational commitment did not significantly impact toward attitude to organizational change; and organizational commitment did not significantly impact as the mediator between Islamic work ethic and attitude on organizational change.

Keywords: *organizational commitment, organizational change, Islamic work ethic, and attitude*

INTRODUCTION

Changes have become a source of frustration for the organization in the form of internal and external pressures (government rules and regulations, production and process technology, political and social events, international business) [1]. The process of changing in every organization is unique in every situation. This is caused by differences in organizational culture, business culture, workplace culture and values, management and leadership

type, behaviour and attitudes of employees [2]. The changing process aimed to survive and compete, by way of reorganization, reengineering, downsizing, and implementation of new technologies, in other words, they consistently seek to change. UMP as an organization cannot be avoided from the internal and external pressures that cause the organization must change, as an organization that runs the Islamic values, then the changes will not escape from the rules in the concept of Islam in the works called the work ethic of Islam. As a consequence, attention is focused on the factors that influence individual attitudes toward organizational change.

One of the factors considered to influence individual attitudes towards change is their commitment to the organization [1]. There is a statement that they are more committed to the organization and are more likely to accept changes than those who are less committed to the organization, as long as the change is deemed beneficial to the organization and not potentially altering the basic values and goals of the organization [1]. The role of organizational commitment as a mediator of the relationship between Islam's work ethic and attitudes toward organizational change still received little attention. Several studies in the West about the work ethic focused on the Protestant work ethic [1]. An attitude person toward change generally consists of cognition, affective reactions, and behavioural tendencies. The affective response is a great or tiny feeling associated with satisfaction or anxiety about changes. The cognitive response is one's opinion about the advantages and disadvantages, usefulness and purpose, and the need for knowledge to handle changes. Last, the instrumental response is the readiness to act for the future or to resist changes.

The changes brought satisfaction, joy, and profit; for others, the changes brought pain, mental distress, loss; the other is quiet does not feel any change; while others with more changes brought losses [1].

The protestant work ethic emphasizes the individual active role dynamically and autonomously to achieve moral virtue. The moral

virtue here universally agreed with human as something good of life in the world. However, the Islamic work ethic is more oriented towards individual salvation in the afterlife based on religious doctrine. The Islamic work ethic that comes from sharia dedicated that work as a virtue [3]. Islam's work ethic emphasizes cooperation in the work and consultation is a way to overcome obstacles and prevent errors. Social relationships in the work were emphasized to meet one's needs and enhance balance in one's social life and individual. Besides, the work is considered as a source of self-reliance and a means of personal development self-respect, satisfaction, and self-fulfilment. Islamic work ethics emphasizes creativity as a source of happiness and perfection. Hard work is a virtue, and those who work hard are more likely to get ahead in life otherwise not work hard is source failure in life.

The reason for doing this research are: *First*, because *the* empirical evidence of the influence of the Islamic work ethic in the attitude toward organizational change and organizational commitment as mediator still very limited in the literature of Islamic-based organization. *Second*, the researchers also followed up on previous recommendations [4], [5] to conduct research using different samples, cultures, and conditions in order to confirm or refute the findings of their research. *Third*, research has been done in Indonesia but still the general organization (not Islamic-based). *Fourth*, this study needs to be conducted on the Islamic-based organization, in this case, the researcher chose UMP. The reason for choosing UMP as a place of research as follows: UMP is an Islamic-based organization, a change in the vision and mission. The vision of UMP is "Being a University of Excellence, Modern and Islamic" and mission as follows: (1) to provide education, research, and community service in a professional as well as to administrate the university management in accordance with tenet Good University Governance. (2) To develop science, technology, and art in accordance with striving age. (3) The tenet and value of Islam were actualized in the administration of the university.

Based on the problem, the research was conducted with the following objectives:

1. To find empirical evidence of the influence of Islamic work ethics toward organizational commitment (*affective, continuance, and normative*).
2. To find empirical evidence of the influence of Islamic work ethics of attitudes on organizational change (*cognitive, affective, and behavioural*).
3. To find empirical evidence of the influence of organizational commitment (*affective, continuance, and normative*) to the attitudes on

organizational change (*cognitive, affective, and behavioural*).

4. To find empirical evidence the influence of organizational commitment as a mediator between the Islamic work ethics toward attitudes on organizational change.

METHOD

The study was conducted on full-time employees in March-April 2012 at the UMP. The population in this study are all permanent employees in April 2012 with 171 employees. Data were collected using a questionnaire. Based on the data obtained, it is known that the population was 171 employees, with details as follows: 73 peoples in the headquarters, 62 peoples in the faculty, and 36 peoples in the other units, so the *margin of error* is 5%. Taking into account the above description and the shortcomings of the writer, the samples were used in this study 120 permanent employees with permanent status of one year and above are taken proportionally from 3 unit/section with the amount of each is as follows: the head office: 51 people, the faculty: 44 and other units: 25 people. The researcher distributed 150 sheets listing questions to all permanent employees who are distributed into 3 units/sections. The returned questionnaire was 120, but only 112 that can be used, because the other questionnaires were filled incomplete. Data were analysed using *Partial Least Square* (PLS) with a 95% significance level.

RESULT & DISCUSSION

The scope of the discussion here is the result of field studies to obtain data using a questionnaire to measure variables Islamic work ethics, organizational commitment, and attitudes towards organizational change. The discussion will be divided into the profile of respondents, evaluation of data, hypothesis testing with inner measurement test models.

Profile of Respondent

To obtain good information related to the purpose of this study, the questionnaire of 59 items with valid questions were distributed. There were 150 questionnaires to permanent employees of UMP from March 15th to April 30th, 2012. They returned 120 including 8 incomplete answers to the questionnaires. Therefore, there were only 112 valid questionnaires to be analysed,

Summary of the questionnaire are shown in the subsequent discussion. It can be seen in Figure 2 that 112 respondents consisted of 64 men and 48 women, so there were more men than women employees. Employees with over 36 years of age are quite numerous (60%) followed by the age of 31-36 years (25%), 25-30 years (9%), and less than

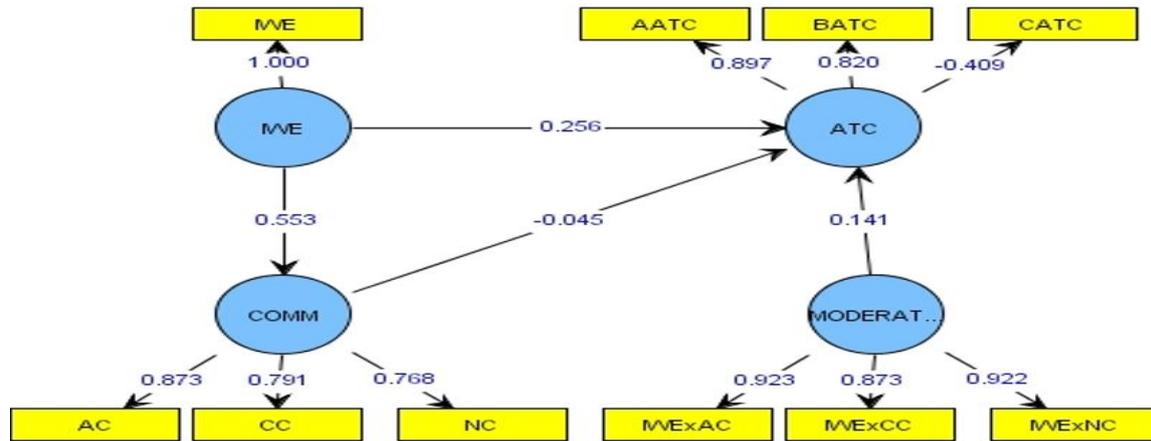


Figure 1. Partial Least Square Model 1

24 years (6%). It can be seen that the productive age (17-60 years) is quite dominant in the UMP retirement equal to civil servants that are 56 years old. In the level of education that range from highest to lowest level successively S1, D3, high school, junior high, elementary school, it is respectively 30, 24, 35, 11, 12. The largest percentage of high school education is 31% and the least is elementary by 11%, and higher education (D3 and S1) is 48%.

That from 112 respondents, there are 28% (31 respondents) who have worked for over 15 years, 28% (32 respondents) who have worked for 11-15 years, 27% (30 respondents) for 6-10 years and 17% (19 respondents) within 0-5 years since he was appointed a permanent employee.

Seeing these data, the period of employment is dominated by the permanent status of more than 10 years at 56%. The majority to read Koran is at 93% (104 respondents), and 8 respondents (7%) who have not been able to read the Koran. Data marital status is also quite interesting, namely, 90% (101 respondents) is married and the remaining of 10% (8 respondents) are not married yet, whereas in Islam, reading the Koran is an obligation, and getting married is *sunnah* but highly recommended by the Prophet Muhammad.

Data evaluation

Analysis of the data in this study was done using structural equation modeling (SEM) based components, or a variant known as *Partial Least Square (PLS)* to test a model or hypothesis. Analysis of the validity and reliability are discussed below.

1. **Convergent Validity Test.** It is related to the principle that the gauges of a construct should have a high value. Convergent validity occurs when the score that was obtained from two different instruments measuring the same construct has a high correlation. Convergent validity in the PLS model measurements using

indicators reflective rated by *loading factor* indicators measuring the constructs [6]. In this study, there are three constructs: Islamic work ethics (IWE), commitment (COMM), attitude towards change (ATC) with a number of indicators 3 (figure 1). Indicators were declared invalid if the component score is greater than the value of the minimum criteria of 0.500 [6],[7]. The calculation result of convergent validity can be seen in figure 4 and table *outer loading* (Table 2), the indicator commitment attitude toward change (CATC), value loading -0.409 we remove it from the model because it has a loading of less than 0.500 and not significant.

Furthermore, the model re-estimation (Figure 2) was back by removing the CATC indicators, with the results in Figure 2. The results of this re-estimation of the data were used for subsequent analysis because it was valid. Nevertheless, it should be supported the results of the reliability of discriminant validity. Now the results have met the convergent validity because all *loading factors* which is above 0.500.

2. **Discriminant Validity Test.** Discriminant validity relates to the principle that gauges the different constructs should not correlate with height. Discriminant validity occurs when two different instruments measuring the two constructs are predicted not correlated to produce an unrelated score. The discriminant validity test is to compare the *square root of average extracted (AVE)* for each construct with the correlation between the constructs and more constructs in the model. Models have enough discriminant validity if the root of AVE for each construct is greater than the correlation between constructs and other constructs in the model [6], [7]. The result of the calculations is shown in Table 1.

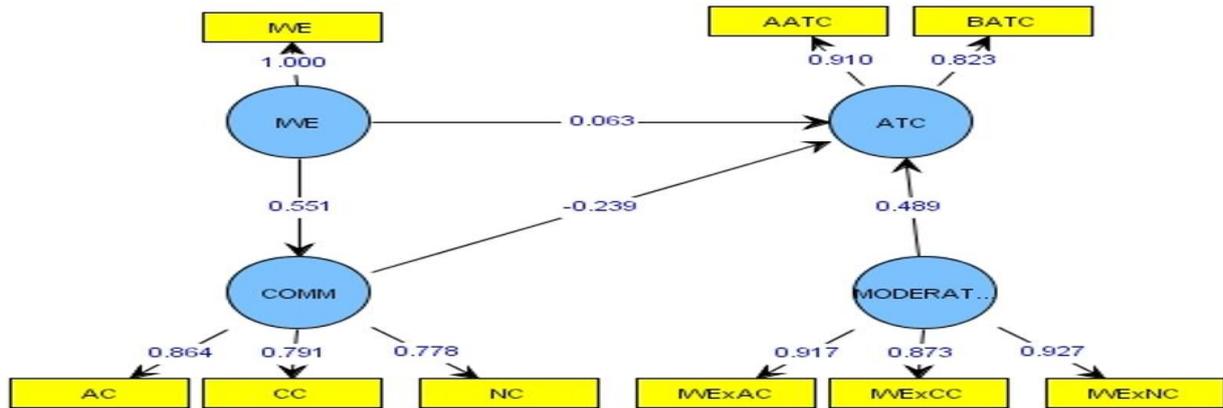


Figure 2. Partial Least Square Model 2

Table 1. Correlation of the Latent Variables and Variance Extracted (AVE)

| | Correlation of the latent variables | | | | AVE |
|------------|-------------------------------------|-------|------------|-------|-------|
| | IWE | Comm | Moderating | ATC | |
| IWE | 1.000 | | | | 1.000 |
| Comm | 0.551 | 1.000 | | | 0.659 |
| Moderating | 0.843 | 0.906 | 1.000 | | 0.821 |
| ATC | 0.344 | 0.239 | 0.326 | 1.000 | 0.753 |

From the table above it can be concluded that the root AVE construct COMM (commitment) of 0.815 ("0.659) is higher than the correlation between the IWE only COMM 0.551. The moderating construct of 0.906 ("0.821) is higher than the correlation between the IWE only Moderating 0.843 and with the correlation between Moderating the COMM (commitment) of 0.906. Constructs ATC 0.868 ("0.753) is higher than the correlation between the ATC with IWE only 0.344, the ATC, and ATC COMM 0.239 amounted to Moderating at 0.326. All constructs in the model were estimated to meet the criteria of discriminant validity.

3. Reliability Test.

In PLS reliability test is used to measure the internal consistency of measurement tools. Reliability indicates the accuracy, consistency, and accuracy of a measuring instrument in measuring [6]. The reliability test can be of value *composite reliability*. A block indicator can be said to be reliable if it is able to measure the construct consistently in order to achieve internal consistency. The criteria used are *composite reliability* must be > 0.7 [6], [7] and more preferably > 0.8 [8]. The calculation result *composite reliability* showed IWE (1.000), Comm (0.853), Moderating (0.932), and ATC (0.859). The results of the calculation of *composite reliability* indicate that all variables have a value of more than 0.7 so that the

otherwise reliable so that its internal consistency is maintained.

Hypothesis Test with Inner Model Measurement Test (Structural Model)

The structural model (inner model) in the PLS is evaluated using R2 for the dependent construct, the coefficient of t value for the significance test between the constructs, and the structural model. The value of R2 is used to measure the level of variation of the independent variable changes to the dependent variable. The higher the value of R2 means the better the prediction model of the proposed research model [6].

Hypothesis H1 test: The Islamic work ethic is directly and positively affect the affective, continuance, and normative commitment.

Inner Data Weight the relationship data to analyse whether there is any significance of the structural model in the Figure2 (PLS Model 2), by looking at the value of the t statistic between independent variables to the dependent variables by comparing t arithmetic with t table. From the output of PLS Table 2(*Inner Weight*) presented we see that for the relationship influence the Islamic work ethic (IWE) against commitments (COMM) employees UMP has a t value of 6.149 that is greater than t table ($\alpha = 0.05$ and $df = 120$) = 1.658 [9],[10]. The magnitude of the effect is shown by the R-square value of 0.304 or 30.4% while the remaining 69.6% is explained by other variables. From the results of research analysts, it is seen that it can accept the alternative hypothesis which states that Islamic work ethic significantly influences employee commitment.

Hypothesis H2 test: The Islamic work ethic directly and positively affects the cognitive, affective, and behavioural tendencies of attitude toward change.

PLS output from the tables presented, we see that the value of the relationship influence the Islamic work ethics (IWE) on attitudes towards

change (ATC) employees is 0.095 that is smaller than t table = 1.658. The amount of influence is shown by the R-square value of 0.304 or 30.4% while the remaining 69.6% is explained by other variables. From the analysis, this study reject the alternative hypothesis which states that Islamic work ethic significantly influence employee attitudes towards the changes in UMP.

Table 2. Inner Weight

| | Original | Mean of | Standard | t-Statistic |
|-------------------|-----------------|------------|-----------|-------------|
| | sample estimate | subsamples | deviation | |
| IWE--> Comm | 0.551 | 0.586 | 0.090 | 6.149 |
| IWE--> ATC | 0.063 | 0.034 | 0.662 | 0.095 |
| Comm--> ATC | -0.239 | -0.236 | 0.953 | 0.250 |
| Moderating--> ATC | 0.489 | 0.556 | 1.381 | 0.354 |

Hypothesis H3 test: Commitment of the organization directly and positively affect the cognitive, affective, and behavioural tendencies of attitudes toward organizational change.

PLS output from the table presented to the relationship it can be seen that the influence of organizational commitment (COMM) on attitudes towards change (ATC) of UMP personnel has a t value of 0.250 that is smaller than t table = 1.658. From the analysis, this study rejects the alternative hypothesis which states that organizational commitment significantly influences employee attitudes towards the changes in UMP.

Hypothesis H4 test: Commitment of the organization to mediate the influence of Islamic work ethics on the cognitive, affective, and behavioural tendencies of attitudes toward organizational change.

PLS output from the table presented to the relationship we see that moderating influence on attitudes towards change (ATC) UMP employees has t value for 0.354 that is smaller than t table = 1.658. From the analysis, this study rejects the alternative hypothesis which states that organizational commitment moderating influence of Islamic work ethics significantly on employee attitudes toward organizational change.

The results of this study are not in line with the [5],[8],[9]; which concluded that Islamic work ethic positive influence on each dimension of attitudes in organizational change. Similarly [1] in the results of path analysis also found the work ethic of Islam directly and positively affect the dimensions of cognitive, affective, and behavioural tendencies of attitude in organizational change.

CONCLUSION

It can be concluded that there are three rejected and recommended hypotheses proposed in this study, namely: the work ethic of Islam have a

significant effect toward organizational commitment (affective, continuance, and normative); the Islamic work ethic is not air a significant influence on tendencies attitude toward change (cognitive, affective, and behavioural); organizational commitment (affective, continuance and normative commitment) is not aired significant influence to the attitudes on organizational changes (cognitive, affective, and behavioural); organizational commitment of the does not air a significant influence as a mediator between conduct a job Islamic attitudes toward organizational change.

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