# WORK ETHICS IN ISLAMIC PERSPECTIVE

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#### Abstract

Runtuhnya korporasi besar seperti: Enron, Arthur Anderson, Worldcom, Global Crossing karena mega skandal menjadikan etika kerja mendapat perhatian yang sangat besar di dunia bisnis. Hal ini menunjukkan bahwa sehebat dan seprofesional apapun pengelolaan perusahaan jika tidak dilandasi dengan etika kerja yang baik maka akan terjadi manipulasi yang berakibat pada kebangkrutan. Konsep etika kerja pertama di kembangkan oleh Max Weber dalam buku yang berjudul The Protestant Ethic and the Spirit of Capitalism, yang mengaitkan antara kesuksesan sistem kapitalis dengan ajaran Protestan. Lebih lanjut, Weber juga pendapat bahwa masyarakat Muslim tidak bisa maju di bidang ekonomi karena berbagai alasan seperti sufisme, sikap fatalisme dan outokratik pada kerajaan-kerajaan Islam. Konsep etika kerja Islam merupakan bentuk respon dari para pakar Muslim di bidang teori organisasi dan sumberdaya manusia atas kritik Weber. Berbagai hasil penelitian yang dilakukan Aslam (2000; 2001) di Turki, Ali (1996) di Amerika menunjukkan bahwa ada pengaruh yang signifikan etika kerja Islam terhadap produktivitas kerja pada masyarakat Muslim.

Keywords: work ethics, business, Islamic ethics, and morality.

#### A. Introduction

The study of work ethics has gained significant interest in recent years following the failures of major corporations like Enron, Arthur Anderson, and WorldCom. However, most studies in this area, as well as in the bigger subject area of business ethics, have been based on the experiences in the American and European countries (Lim and Lay, 2003; Rizk, 2008). Essentially, these studies (e.g. Furnham, 1982, 1990; Furnham and Rajamanickam, 1992) relied on the Protestant Work Ethic (PWE) as advocated by Max Weber (Yousef, 2001). Notwithstanding the impact of Protestantism and PWE on economic development in the

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West (Weber, 1930/2001), the applicability of models that are based on these elements may be limited in non-Western societies, particularly those which adhere to other religious believes. Islam for example has its own concept of ethics that are derived from the *Qur'an* and *Hadits*. In a manner similar to Weberian Protestantism, Islam provides the ideological foundation for a variety of personal attributes that promote economic development (Ali, 2005). Indeed, according to Ali (2005), the application of Islamic ethics brought the Muslims to the golden ages in the eighth until the fourteenth century.

#### **B. Work Ethics**

Ethics derived from the Greek word "ethos" which means custom or habit. Ethic is the study of values and customs of persons or groups and covers the analysis and employs the concept such as right and wrong, good and evil, and responsibility (Beekun, 1997). It is about what should be done and what should be avoided as human beings, and as members of a group or a society and in the different roles in life.

Sometimes the word "ethics" is used synonymously and interchangeably with morality. But some experts like to differentiate between ethics and morals. They argue that ethics are about social values and morality is about personal values. But in practice, courses on moral philosophy cover the same material as courses on ethics (Ciulla, 2003), and both are important as guidance in human relations.

There are some reasons for the importance of ethics. First, ethics give a baseline for understanding the concepts of right and wrong. The function of ethics here is as a standard for a guidance and evaluation of human behavior. Second, ethics is a mediator for a dealing or contact with other persons. Unethical attitudes warrant negative responses from people. Third, ethics are a source advice that guides humans on how to act morally in certain situations and how to show others the correct behavior (Beekun, 1997; Ali, 2005).

Ethics are built in the individual; they come from within. The individual's ethics can be influenced by some factors such as family, religious values, ethnic beliefs, personal values and morals and life experiences (Beekun, 1997). It also can be culturally developed given that it is influenced by a combination of social preferences and patterns, family education, religious teachings, and ethnic beliefs and values. This

combination creates a cultural and social norm as a base of the ethics of humankind. Beekun (2007) expresses the factor determinants of individual ethics as shown in figure below:





#### Source: Beekun, (1997), p.3

One of the most important activities in human life is work. Work is an activity that is related with the social and economical side of life. Social relations at work are needed for establishment of the equilibrium in individual and social life. Therefore an ethical guidance that regulates activities in the work place is needed. It is usually called work ethic.

Work ethic is a system of values or beliefs that guides employees' attitudes and behaviors in the workplace. It reflects on an individual's attitudes towards some aspects of work, including preference for activity and involvement, attitudes toward financial and non financial rewards and the desire for rising career mobility (Cherrington, 1980). It can be described as both a social norm and a set of individual characteristics of the worker. Cherrington (1980) suggests that besides social norm, work ethic is an attribute to promote the accountability and responsibility of the worker; it also has an intrinsic value exclusive of the external rewards (Hill and Fouts, 2005). Wayne and Chapman (1992) view work ethics as a social obligation that referred to usefulness, importance, or general worth that people assign to some behavior or conception related to work.

Because workers come to work with different values and backgrounds, they need ethical guidance that should be followed by every individual in the organization, such as ethics. It is generally believed that work ethic is an essential attribute in the work place. A survey of managers found that almost 80 percent of them agreed that productivity is suffering because the work ethic has decreased in their organizations (Lipset, 1990).

Experts have viewed work ethics from various perspectives. Some of them have the opinion that the truth of the work ethics are from the agreement among the group in the organization. In contrast, some of them have opinions that the truth of the work ethics comes from God as the creator. God made humans in His image, He created a regulation that is suitable for humankind. Based on this way of thinking, the work ethics concepts have spread to a variety of religions in the world. Notable examples are the Protestant and the Islamic Work Ethic.

#### C. Protestant Work Ethic

The term Protestant work ethic (PWE) was first mentioned by Max Weber in his book, *The Protestant Ethic and Spirit of Capitalism*. The book addressed the issue of why people pursue material gain for its own sake and not solely for necessity. Weber saw that the root of unintended and unforeseen reaction to the protestant reformation in the 16<sup>th</sup> century. The PWE is a set of beliefs and values that emphasizes asceticism, industriousness, individualism, conservation of resources, deferment of immediate satisfaction, and overall valuing of work as the most worthwhile way to spend one's time (Weber, 2002). According to Beit-Hallahmi (1979), PWE "an orientation towards work which emphasizes dedication to work hard, deferment of immediate rewards, conservation of resources, the saving of surplus wealth, and the avoidance of idleness and waste in any form" (p. 263).

Max Weber argued that the set of values emphasized by ascetic Protestantism reinforced a strong belief in the value of good, clean and hard work that would ensure individual salvation (Firestone et al., 2005). He proposed a causal relationship between the PWE and the development of capitalism in Western societies. Weber believed that this religious inclination produced a certain type of personality with a high

motivation to achieve success in worldly terms by working diligently to create and accumulate economic wealth (Weber, 2002).

Weber (2002) was explaining the actual dimensions of the PWE. The broader meaning of the PWE refers to one or more of the following beliefs and attitudes:

- Taking hard work and industriousness as religious duties.
- A negative attitude to leisure activities
- Frugality and productivity
- Punctuality and time-saving
- Pride in work
- Commitment and loyalty to occupation and organization
- Need for achievement
- Honesty
- Taking idleness, wasting time and money as vices,
- Internal locus of control (one first must blame himself or herself instead of others)
- Taking ambition and success as the signs of God's favor,
- Taking poverty as a universal indicator of sin while taking wealth as a sign of God's favor

Some research has shown that people who believe in the PWE tend to have high internal locus of control beliefs (Furnhan, 1984), conservative attitudes and beliefs (Furnham and Bland, 1982); and a high need for achievement (Furnham, 1982). Moreover, as individual difference, PWE beliefs have been found to be powerful predictors of work-related behavior (Greenberg, 1978, 1979).

Blau and Ryan (1997) used exploratory factor analysis to identify four dimensions of PWE using 543 respondents. The dimensions are: (a) hard working represents both a belief that effort at work will lead to success and hard work as a value unto itself, (b) non-leisure dimension refers to a suspicious idleness and relaxation (e.g. people should not have more leisure time to spend on relaxation), (c) independence places value on avoiding dependence on other people (e.g. to be superior, a person must stand alone), (d) Ascetics dimension cross materialism and places value on life and reinvestment of profit.

Beit-Hallhami (1979) studied the relationship between the PWE and social background variables such as religious self-identification, ethnic background, political self-identification, and religious beliefs. He found

that PWE relates to other background variables and it is not independently predictive (Wentworth, and Chell., 1997). Furnham et al., (1993) measure PWE values in 13 countries and the results show that participants from richer people in first world countries tend to have lower scores than those from third world countries.

Related with PWE, Greenberg and Baron (2008) suggest that employees may consider it as a moral obligation to work hard, shun idleness, and consider an effort to be a reward into itself, therefore, such employees may be more likely to engage in some forms of extra-role behaviors even under conditions of boredom, fatigue or unfairness (Ryan, 2002).

Besides the research on the PWE that has been done in the West, a couple of studies also been done in some Eastern countries. A study conducted by Ma (1986) found that Taiwanese PWE scores were not related to religious belief or affiliation. Ali (1988) found that Arab executives had higher PWE level than their Scandinavian and American counterparts. Moreover, there are many other religions and ethnic groups that have achieved success and good economic achievement during part of their history. Notable examples are the Jain in India or Santri Muslim in Java, even though their contributions have been totally ignored in management literature (Ali, 2001). As a result, there is the need to study work ethic in the different references related to other religions such as in Islam (Ali, 2001).

#### D. Islamic Work Ethic

Despite the fact that the Protestant had some contributions for achieving the tremendous progress in economic development in the West (Weber, 1958), Islam also had the concept of ethics that derives from the *Qur'an* and *Hadits*. These work ethics had succeeded in bringing the Muslims' world into the golden ages in the eighth until fourteenth century, under the Islamic empire. In a manner similar to Weberian Protestantism, Islam provides the ideological foundation for a variety of personal attributes that promote economic development (Ali, 2001; Ali and Al-Owaihan, 2008).

Islamic work ethic (IWE) may be defined as a set of moral principles that distinguishes what is right from what is wrong (Beekun, 1997) in the Islamic context. The Islamic work ethic is originally based on the *Qur'an*,

because the *Qur'an* is the ultimate source of guidance for Muslims in all aspects of life. The Islamic work ethic emphasizes cooperation in work and consultation which is seen as a way of overcoming obstacles and avoiding mistakes. Islamic work ethic 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. Both Islamic and Protestant work ethics place considerable emphasis on hard work, commitment, and dedication to work, work creativity, avoidance of unethical method of wealth accumulation, cooperation and competitiveness at the work place (Yousef, 2001).

The issue of Islamic work ethic was also addressed by Prophet Muhammad (s.a.w). According to Ali (2005) they are grouped as: first, pursuing legitimate business, the Prophet asked his followers to do useful work that benefit the society. Second, wealth must be earned. Every people have different capacities and their need to use the capacity to acquire wealth. Thirdly is quality of work. The Prophet transformed the Arab community from laziness to discipline and hard work. He also linked faith and work together to steer Muslims to get prosperity. Fourth is wages. The Prophet asked Muslims to be fair, just and prompt in compensating workers. Fifth is reliance on self. One of the most important functions of work is that it sustains confidence and selfresilience. Sixth is monopoly. The Prophet said "the supplier is blessed and the monopolist is cursed" and "whoever withholds commodities is a sinner". Seventh is bribery. The Prophet said: "God cursed the one who gives and the one who receives bribery". Eighth is deeds and intentions. The Prophet said: God does not look at your matters and wealth, rather God examines your intentions and actions. Ninth is transparency. The Prophet said: those who declare things frankly, will not lead to each other destruction. Tenth is greed and which is considered a threat to social and economic justice. The Prophet said: be aware of greediness, it is living poverty. Eleventh, generosity is a virtue in Islam. The Prophet said: the generous person is closest to God, heaven, people and far from hell (Ali, 2005; Ali and Al-Owaihan, 2008).

However, not much is known about Islamic work ethic. To date, there are only a few researches that have looked at Islamic work ethic such as Ali (1988, 2001), Yousef, (2000; 2001), Rahman et al., (2006), Ali and Al-Kazemi, (2007), Moayedi, (2009) and Khalil and Abu-Saad (2009).

Ali (1988) developed an Islamic work ethic scale and individualism. He used 150 Arab students in the US as his subjects. The result of the reliability test and correlation analysis indicated that both scales were reliable and that the IWE scale was positively and significantly correlated with the individualism scale. Then in 2001, Ali tested his scale among 117 managers in Saudi Arabia. He found that the managers were highly committed to the IWE and showed a moderate tendency toward individualism. This study also provided further evidence of the reliability of these scales.

A study on Islamic work ethic in the United Arab Emirates (UAE) was conducted by Yousef (2000), who investigated the mediating role of the IWE between locus of control, role conflict and role ambiguity, using 397 samples. The results suggested that Islamic work ethic related to locus of control, the Islamic work ethic also mediated the relationships between locus of control and role ambiguity. On the other hand, the Islamic work ethic did not mediate the relationship between locus of control and role ambiguity. On the other hand, the Islamic work ethic did not mediate the relationship between locus of control and role conflict. In a further research, Yousef (2001) investigated the moderating effect of the IWE on the relationships between organizational commitment and job satisfaction. This study used 425 Muslim employees in several organizations in the United Arab Emirates (UAE). The result of the study was that IWE directly affected both organizational commitment and job satisfaction and that it moderated the relationship between these constructs.

In Malaysia, Rahman et al., (2006) examined the relationship between IWE and three organizational commitment dimensions. The three dimensions of organizational commitment were: affective, normative and continuance commitment. This study used 227 employees from several bank branches in Malaysia. The study found that Islamic work ethic has a positive and significant relation with the three dimensions of organizational commitment. Moreover, the affective commitment has a higher correlation with Islamic work ethic than continuance and normative commitment.

Another study was conducted by Ali and Al-Kazemi (2007), who investigated IWE in Kuwait, using 761 managers in government and private sectors. The results indicated that managers scored high on Islamic work ethic and loyalty scales. There was a positive high correlation between the two measures. Demographic and organizational variables had significant influence on managerial orientations. Furthermore, a related research was recently conducted by Khalil and Abu-Saad (2009). They investigated the Islamic work ethic and individualism using 837 respondents of Arab college students in Israel. They found that there was a strong correlation between Islamic work ethic and individualism scales.

### E. Counter of Weber's Thesis

Islam clearly counters the Weber thesis that Muslim societies could not develop their economy. Weber (1982) argued that Islam could not produce values such as Protestant ethics "the spirit of capitalism" because for a number of reasons (in Arslan, 2000). First, Sufism is viewed as an otherworldly character because it is avoidance of world matter. Weber believed that Sufism is a barrier to the development of a capitalistic spirit because it encourages a fatalistic way of life. Second, warrior ethic or the spirit of conquest is regarded to be antithesis of the productive capitalist spirit because war is closely related with a destruction and assassination. Third, Weber argued that the most of Islamic empires are despotic; they restricted property rights and capital accumulation. It created laziness among the people (Arslan, 2000).

The Weber opinion about the Islamic values in economics is rejected because faith in Islam includes work as integral component of the human idle. Work and faith, according to Abeng (1997), are the same as a root and tree; one cannot live without the other. Recent research which conducted by Arslan (2000 and 2001) has provided empirical support to refuse Weber's thesis. Arslan (2000) compared the British and Turkish managers using PWE. He found that Turkish managers scored higher in all characteristics in PWE than British managers. In his conclusion, Arslan mentioned that the result of his research had some impacts: first, the Weber's criticism of Islamic terms in the economic behavior is not valid, especially in the case of Turkish. Second, religious motives had an important impact on business. Lastly, Turkish Sufi movements had the same role as Calvinism in Northern Europe in the eighteenth century and the Islamic ethic and heritage had an important role in business ethics. Critically, Aslan's findings mirrored the findings of an earlier research by Ali (1988), who found that Arab managers to be more productive than Western managers.

### F. Conclusion

During last few years, ethics get more attention in business because of some cases of ethical lapses, especially in Western world such as Enron,

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Arthur Anderson, and WorldCom. After those cases, work ethic is in the meltdown era, the study of ethics become crucial for business' education in general and also for business' organization in particular. Some business school quickly responded by adding ethics courses and supported the existing effort to educate ethics in some business organizations.

As a complete way of life, Islam has provided a guidance and rule in all aspects including in the work place. Islam is considered work as a way to fulfill the needs and the necessities, to establish the equilibrium in individuals and social life, and also to get the happiness in hereafter as a part of worship to Allah. Thus, the importance of ethics in Islam is clearly apparent. The concept of work ethics in Islam, which is usually called Islamic work ethic, is a set of moral principles that distinguish what is right from what is wrong based on *Qur'an* and *Hadits* in the work place.

Furthermore, Islam clearly counters the Weber thesis that Muslim societies could not develop their economy. Weber (1982) argued that Islam could not produce values such as Protestant ethics "the spirit of capitalism" because for a number of reasons (in Arslan, 2000). First, Sufism is viewed as an otherworldly character because it is avoidance of world matter. Weber believed that Sufism is a barrier to the development of a capitalistic spirit because it encourages a fatalistic way of life. Second, warrior ethic or the spirit of conquest is regarded to be antithesis of the productive capitalist spirit because war is closely related with a destruction and assassination. Third, Weber argued that the most of Islamic empires are despotic; they restricted property rights and capital accumulation. It created laziness among the people (Arslan, 2000).[]

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