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Can Islamic Work Ethics and Ethical Climate Reduce Counterproductive Work Behavior?

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ABSTRACT

This study examines the effect of Islamic Work Ethic (IWE) and Ethical Climate (EC) on Counterproductive Work Behavior (CWB). The sample was 115 employees of Islamic financial institutions in Lampung, Indonesia. The analysis shows that IWE has a negative effect on CWB, EC also has a negative effect on CWB. This finding shows that CWB can be reduced by IWE and EC. EC influence is slightly higher than IWE shows that although IWE plays a good role in reducing CWB, the role of the ethical climate in the organization has slightly greater in reducing CWB.

Keywords: *Islamic Work Ethics, Ethical Climate, Counterproductive Work Behavior*

6 INTRODUCTION

Work ethics is a belief that reflects a person's attitude towards various aspects of work, including choice of activity and involvement, attitudes toward both financial and non-financial rewards and the desire for higher career mobility (Cherrington (1980) in Yousef (2001)). Islamic work ethics (IWE) are principles and moral values related to work that distinguish between right and wrong in the Islamic context, as a basis for someone doing or not doing something (Beekun, 1997; Murtaza et al. 2014).

IWE consists of a relationship of respect for someone with the behavior of workers in the workplace (Mohamed et al. 11 2010). IWE includes efforts, dedication, cooperation, responsibility, social relations, and employee creativity. In essence, through a close relationship with God, one can expect to spur attitudes and behavior to be consistent with religious rules and regulations (Rahman et al. 2006). IWE is a performance support based on the best ability to fulfill God's will. As the prophet, Muhammad PBUH said, «Allah loves to see one's job done at the level of itqan (Sahih Muslim 1976)». Itqan indicates quality work. Thus a Muslim professional will 10 prioritize public interests over his personal interests. The results show 4 that IWE had a positive influence on the organization. IWE has a positive effect on Organizational Citizenship Behavior (OCB) and Knowledge-Sharing Behavior (KBS) (Murtaza et al., 2014). Employees who have high IWE have a positive influence on the relationship of procedural justice with employee satisfaction and involvement (Khan et al., 2015). IWE mediates locus of control relationships with role ambiguity (Yousef, 2000). In addition, managers who have a high IWE score have a higher loyalty score (Ali and Al-Kazemi, 2007). Another study found IWE had a significantly positive

14 relationship with the ability of innovation in the public sector in Malaysia (Kumar and Rose, 2010).

19 Conversely, Khan et al. (2015) find IWE can reduce employee turnover intentions. Khalid et al. (2018) find IWE can reduce the effect of abusive supervision on knowledge hiding behavior. In this study, IWE is thought to potentially reduce employee Counterproductive Work Behavior (CWB).

CWB is behavior that is motivated either by individuals or groups that are intended to have a negative impact on individuals or groups or organizations (Griffin and Lopez, 2005). This behavior arises due to the following factors: too high or too low control, stress due to role conflict, too high or too low a consideration from the supervisor and also the employee's background, age, gender and managerial level (Ramaswami, 1996).

In addition to IWE, the ethical climate (EC) is also predicted to reduce CWB. Previous research has found EC can reduce work stress (Sert et al., 2017). Ethical climate can also reduce the negative influence of a negative effect on workplace crime (Chen et al., 2013).

The influence of IWE and EC in reducing CWB can be explained from Coping's theory (Lazarus 18 & Folkman, 1984) and Ethical Climate Theory (ECT) (Martin and Cullen, 2006). There are three contributions to this research. First, this study aims to examine the effect of IWE and EC on CWB. This study extends the study that IWE and EC besides having a positive effect can also reduce CWB. Second, 13 effect of IWE and EC on CWB are reviewed from coping and ethical climate lenses. Thus expanding the literature on both theories. Third, this study examines the role of IWE and EC in reducing CWB in Islamic financial institutions.

LITERATURE AND HYPOTHESIS

Effects of Islamic Work Ethics on Counterproductive Work Behavior

Yousef (2001) states that IWE places more emphasis on intention than results. For example, the Prophet Muhammad SAW said, «deeds are recorded based on intention, and someone is rewarded or punished based on his intention». In this case, it is also emphasized on the social aspects of the workplace and the duties of the community. Furthermore, IWE emphasizes justice and generosity in the workplace and views economic activity as an obligation.

Khan et al. find that IWE moderates the influence of justice felt by employees in the organization on their work (Khan et al., 2015). The higher the IWE, the positive relationship between distributive and procedural justice on job satisfaction and engagement will be stronger. Conversely, the higher the IWE, the negative relationship between distributive justice and employee turnover will be weaker.

Islam teaches to do good deeds and prevent evil deeds (Quran 3: 110). Thus IWE can overcome negative employee behavior or CWB. CWB is the potential behavior of employees to damage the organization, members of the organization or both (Penney & Spector, 2005). But CWB is different from antisocial behavior. Antisocial behavior is intended to harm individuals or groups of people (Sage, Kavussanu & Duda, 2006), while CWB is not intended to hurt (Marcus et al., 2013). Fida et al. (2015) found that the more employees react emotionally negatively to work pressure, the higher the CWB maneuver will be. IWE is believed to be able to reduce the CWB.

Research by Khalid et al. (2018) shows that abusive supervisor behavior influences the

knowledge hiding behavior. IWE plays a role in reducing this effect, the higher the IWE, the weaker abusive supervisor influence the behavior of hiding knowledge. High IWE can also reduce the negative influence of procedural justice on turnover intention (Khan et al., 2014).

The effect of IWE on reducing CWB can be seen from Coping's theory (Lazarus & Folkman, 1984). This theory states that individuals can overcome stressors both cognitive and behavioral. Someone who has IWE will overcome stressors or stresses so that they prevent negative actions or CWB. Coping reflects individual efforts to manage stressors, so effective coping is to prevent or overcome individual difficulties (Latack & Havlovic, 1992). The first hypothesis can be developed as follows:

H1: Islamic work ethic has a negative effect on counterproductive work behavior

Effect of Ethical Climate on Counterproductive Work Behavior

The ethical climate is a type of work climate that reflects organizational procedures, policies, and practices that have moral consequences. The climate arises when members of an organization believe that certain forms of ethics or behavior are expected standards or norms in corporate decision making (Martin and Cullen, 2006). The ethical climate is an ethical dimension in an organizational culture so that organizational members feel as ethical norms and organizational identity (Cullen et al., 1993).

The ethical climate theory says ethical climate consists of the following: Instrumental is an organization seen as a unit that has norms and expectations that encourage ethical decision making and are

not based on a selfish perspective. Caring, in individuals in making decisions must be based on consideration of the interests of other parties and not on personal interests.

Freedom, this climate shows that individuals believe that they must act in depth, based on personal morals in making decisions. Law and code, based on the perception that the organization supports the principles of decision making based on external codes such as law, professional codes of ethics etc. Rules, organizational decisions should be based on strong local rules or standards such as ethical codes (Marshall and Cullen, 2006).

When employees feel the instrumental climate, caring, freedom, law and code of ethics and rules, they are sure the organization's ethical policies pay attention to members of the organization. Thus the organizational climate will shape positive behavior and prevent negative employee behavior.

The results show that the ethical climate has an effect on employee moral disengagement which ultimately will have a positive effect on CWB (Pagliaro et al., 2018). CWB consists of two types, individuals and organizations (Bennet & Robinson, 2000). CWB by individuals includes verbal and physical aggression that is directly carried out by an employee against other employees. Organizational CWB is organizational destructive behavior such as stealing, unwillingness to work and sabotage (e.g. Bennet & Robinson (2000); Mount et al., 2006). Organizations that have an ethical climate can prevent employees from carrying out negative actions or CWB. The ethical climate prevents CWB because negative actions conflict with the norms and identities of the organization. Thus the next hypothesis:

H2: ethical climate has a negative effect on counterproductive work behavior

METHODS

This study uses a survey method on Islamic financial institutions (Islamic banks and Takaful insurance) in Bandar Lampung, Indonesia. Participants were 115 employees from various Islamic financial institutions.

Islamic Work Ethics is measured using measurements of 17 items developed by Ali (1992). Measurements using a Likert scale score of 1 to 5 (1 indicates strongly disagree, while 5 strongly agrees). Cronbach alpha for this scale is 0.879.

Ethical climate uses measurements developed by Peterson (2002). The use of a Likert scale score of 1 to 5 (1 indicates strongly disagree, while 5 strongly agrees). Cronbach alpha for this scale is 0.877. CWB uses the measurement of Fox et al (2012) with a 1 Likert scale score of 1 to 5. Cronbach alpha shows equal to 0.828.

RESULTS

Correlation analysis in Table 1 shows the IWE score is the highest. Conversely, a low CWB score indicates respondents tend to have a low CWB. IWE correlates with EC. CWB also has a negative correlation with IWE and EC. Control variables based on previous research are age and sex. The two control variables show no correlation with the research variables.

Hypothesis testing uses the WarpPLS version 1 application. The results of the analysis in Table 2 show that both IWE and EC have an effect on reducing CWB. Hypothesis 1 states IWE has a negative effect on CWB. The analysis showed that IWE had a negative effect on the CWB of -0.313 ($p < 0.005$). Furthermore, hypothesis 2 states that EC

Table 1. Inter Variable Correlations

Variable	Mean	SD	1	2	3	4
Age	2.30	0.97				
Sex	1.50	0.50	-0.061			
IWE	4.14	0.39	0.046	-0.120		
EC	3.97	0.39	0.121	-0.108	0.571**	
CWB	2.1	0.54	-0.030	-0.161	-0.204*	-0.362**

Correlation is significant at the 0.01 level (2-tailed). **
 Correlation is significant at the 0.05 level (2-tailed). *

Table 2. Hypothesis Test

Variable	CWB	p-value
IWE	-0.313	0.003
EC	-0.227	0.021

has a negative effect on CWB. The results of the analysis show that EC has a negative effect on the CWB of -0.227 (p < 0.005). Thus the two research hypotheses are supported.

DISCUSSION AND IMPLICATIONS

The results of the analysis show that IWE and EC have a negative effect on CWB. IWE can be said as someone's belief or cognition. Cognition is a thought process so that a person becomes aware of the stimulus, appreciates the significant stimulus and considers his behavior responses (Smollan, 2006). Employees who have high IWE, the CWB will decrease. This finding explains the coping theory with IWE. Employees can handle stressors in the workplace well with IWE that is in them. Someone who has IWE will overcome the pressures so as to prevent them from taking negative actions. This happens because God in His word commands to prevent destructive behavior (Quran 3:110). Someone who has IWE is someone who dedicates himself to work, makes work as self-development, tries to be creative and has a goal to be more advanced, independent and responsible.

Thus employees who have IWE will certainly avoid CWB. The results of the analysis also show that EC has a negative effect on CWB. This means that the higher the EC in an organization, the lower the CWB. This shows that in addition to factors within employees such as IWE, work environment factors such as EC are also decisive in reducing CWB. Ethical climate theory can answer that CWB can be reduced if the organization applies ethical principles to the organization. Thus IWE in employees coupled with EC in the organization will further reduce CWB behavior. The findings of this study give the following implications. IWE provides guidance to employees to distinguish good and bad values at work. A person who has a good IWE will reduce CWB. Thus an organization should form an ethical climate within the organization. Organizational support for the formation of IWE will have a positive impact on the organization itself and reduce CWB. The effect of IWE in reducing CWB will be better if within the organization has an ethical climate. So that the control held by employees will be good when supported by organizations that

have a good ethical climate. Based on these findings it is important for organizations to train and implement IWE on their employees and develop and maintain an ethical climate within their organizations.

13

CONCLUSION

This study examines the effect of IWE and EC in reducing CWB. The effect of IWE in

reducing CWB was assessed from coping lens. While the effect of EC in reducing CWB was assessed from ethical climate theory. This study found that IWE and EC can reduce CWB. EC influence is slightly higher than IWE shows that despite the role of IWE inside employee's personal can reduce CWB, however, EC in the organization has a slightly greater effect on reducing CWB. ◀

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