Work Ethics, Work Satisfaction and Organizational Commitment at the Sharia Bank, Indonesia

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Abstract

The objective of this study is to examine the effect of work ethics on work satisfaction and organizational commitment at the Sharia Bank. As many as 78 employees became respondents in the study. The data were obtained by utilizing a self-administered questionnaire and in-depth interviews, and analysed using Partial Least Squares (PLS). The findings in the study show that work ethics has a non-significant negative effect on work satisfaction while work ethics has a significant positive effect on organizational commitment. This study concludes that work ethics are very important for organizational commitment but that they cannot automatically create high job satisfaction. Work ethics and work satisfaction are not necessarily related, which might be due to the perception of fairness among the employees.

Keywords: work ethics, work satisfaction, organizational commitment, Sharia bank

1. Introduction

Beyond salary, work ethics is able to influence human beings to commit or not to commit a crime. In March 2011, the Indonesian public were shocked by the detention by the police of a Senior Relationship Manager of Citibank in Jakarta. The former manager was charged with conducting illegal transactions. Having a total compensation of more than 500 million rupiahs (RP.) per year (1 USD was approximately equal to Rp. 9,500 in 2012) was not able to prevent her from undertaking transactions on behalf of customers for her own personal needs. Less than two years later, in August 2012, the Indonesian public were surprised when a 35 year old office boy working at Bank Syariah Mandiri, Bekasi, Indonesia, returned Rp. 100 million he found on the floor of his office to the bank. The money represents a considerable sum for a father of three children who had been working for three years for a salary of Rp. 2.2 million per month. Nevertheless, his personal circumstances did not cause him to take the money for his own personal needs. These two contradictory cases illustrate the lesson that a high salary is not sufficient to prevent people being corrupt while a low salary does not necessarily lead to corruption.

Work ethics is important in today’s business because employee’s behaviour strongly contributes to the success of an organization in the global market (Ali & Azim, 1995; Valentine & Barnett, 2007). The crimes committed by employees may cause the company’s image to rapidly deteriorate. This is evidenced by the case of Enron, which recorded one of the largest corporate bankruptcies in the history of the United States of America (USA), arising from the high risk of accounting practice. Many studies have been conducted on the effect of work ethics on job satisfaction and organizational commitment and the findings are mixed. Some researchers reported a positive and significant effect of work ethics on job satisfaction (eg., Koh & Boo, 2004; Okpara & Wynn, 2008) and organizational commitment (eg., Ali & Al-Kazemi, 2007; Mohamed, Karim & Hussein, 2010). In contrast, other researchers found that the effect of work ethics on job satisfaction is weakly significant (eg., Elkins, 2007) or negative and significant (Arifuddin, 2002). In addition, work ethics may not have any influence on organizational commitment (Uygur, 2009).

Previous studies concentrated more on work attitudes than work ethics (Valentine, Golkine, Fleischman & Kidwell, 2011), while limited studies have been conducted on organizational commitment, which has an important influence on organizational development (Cullen, Parboteeah, & Victor, 2003; Kurpis, Begiri & Helgeson, 2008; Valentine et al., 2011). Elci, Sener and Alpkan (2011) recommend that organizational