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# **Moderating role of Cognitive Dissonance in the relationship of Islamic work ethics and Job Satisfaction, Turnover Intention & Job Performance**

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## **Summary:**

Ethics in the workplace is a persistent focus of research as it is a pervasive element of organizational life. Recently, Islamic work ethics has arisen in literature on ethics because of the emergence of multiple Islam culture countries in the global economy. As ethics provides values that are the basis for behaviors, this study intends to explore the impact of Islamic work ethics on job performance, job satisfaction and turnover intention. In addition, as global business practices may sometimes contradict with morale values issued from religious convictions, this study explores the impact of cognitive dissonance as a moderator of the previous relationships. Cognitive dissonance theory is used as a theoretical framework.

Data consists of 252 questionnaires completed by employees of different banks and universities of Pakistan. Findings confirm that Islamic work ethics affect job satisfaction and job performance positively, but no effect is found on turnover intention. Furthermore, results indicate that cognitive dissonance is a significant moderator such that the relationship between Islamic work ethics and job performance and job satisfaction is stronger when cognitive dissonance is low rather than high. Finally, managerial implications, limitations and future directions are discussed.

**Keywords:** Islamic work ethics, Cognitive dissonance, Job satisfaction, job performance, Turnover intentions

# **Moderating role of cognitive dissonance in the relationship between Islamic work ethics and job satisfaction, turnover intention and job performance**

## **Introduction**

Ethics refers to what a right and fair conduct or behavior is (Carroll, 1991; Freeman & Gilbert, 1984). Ethics is presented as “a system of value principles or practices and a definition of [what is] right and wrong” (Raiborn & Payne, 1990). It concerns judgements involved in moral decisions (Velasquez, 1999). In daily life, ethics represents a reference for an individual to decide on a course of action. Without moral standards, individuals’ actions would be random and aimless; ability to be successful in their endeavors would be reduced (Christian et al., 2013).

If research on ethics based on religious, cultural, and philosophical beliefs is not new, the study of business ethics is of recent interest (Lewis, 1985). Ethical behavior can bring significant benefits to organizations (Hamid & Mahdi, 2011): it increases employees’ loyalty (Al Kazemi, 2007) and reduces labor turnover (Elci et al., 2007; Valentine et al., 2006); it increases productivity and helps the organization attract employees with similar values. Reversely, unethical behavior at work damages a firm’s reputation and reduces its attractiveness to employees, customers and stakeholders (Cacioppe et al., 2008).

As moral standards are influenced by culture, ethical behavior can be understood in an equivocal way by employees from different cultural backgrounds. This issue is particularly stringent for internationalizing organizations that hire employees with various viewpoints, perceptions and religions. As globalization is continuously expanding, it becomes imperative for organization’s management to understand diversity of all sorts, including religion and culture. With the rise of Muslim countries' marketplaces, Islamic views of business organizations are becoming an emerging area of research (Rice, 1999). The Islamic framework shapes the behavior of one-fourth of the world's total population (1.8 billion). Muslims are in majority in more than 50 countries; some of these countries being in control of important energy resources. According to Rogers et al. (1995), the world community faces the risk of conflicts if it fails to understand the Muslims’ faith, their religious dynamics and mindsets. In addition, through research on Islamic Work Ethics (IWE), scholars from Muslim societies are interrogating the original commandments of their prophet relatively to economic activity after centuries of political events that have placed their countries under strong spiritual influence (Ali & Al-Owaidan, 2008). To that end, understanding of IWE in a changing world is valuable (Yousef, 2001) and needs further in-depth study.

Business and related efforts are valued in Islam; economic activity should benefit to the overall community and therefore has to be conducted according to specified ethics (Ali & Al-Owaidan, 2008). IWE defines, at an individual level, some fundamental principles that may guide action in the workplace. How IWE can influence attitudes and behaviors at work is an important issue for organizations settled in Islamic countries.

In parallel, moral conduct defined at a global level by internationalizing organizations may conflict with local work ethics. As a result, employees of such organizations may experience moral conflict which occurs when individuals recognize that their inclination to act ethically might lead to violation of their reference groups’ norms (Schwartz et al., 1969). When employees have to act against their values, they experience high levels of value incongruence which leads to cognitive dissonance (Kraimer, 1997; Festinger, 1942). Cognitive dissonance

theory (Festinger, 1957) argues that employees experience dissatisfaction when their behaviors and beliefs/values are incongruent. Cognitive dissonance induces feelings of alienation, resentment, and dissatisfaction (Argyris, 1957). To avoid those unpleasant feelings, employees confronted to dissonance may be motivated to change their attitudes and behaviors (Festinger, 1957).

In Pakistani companies: values of seniors/leaders are not always ethical. This is seen through behaviors such as bribe, pressurizing employees over their regular duties and not paying them for that. Those behaviors are quite common in Pakistan. In those cases, managers' values may create dissonance for employees.

In addition, there is an issue of employees not following the rules and not fulfilling their assignments. This means that organizations are unable to promote an ethical and compliant working environment. In a highly religious country such as Pakistan, employees with strong work ethics (in particular IWE) may experience dissonance with their working environment (dissonance with non-compliant colleagues, and dissonance with organizational culture which does not promote a fair and ethical working environment).

Employees who act at work according to their moral standards may become less efficient due to cognitive dissonance experienced in the work environment.

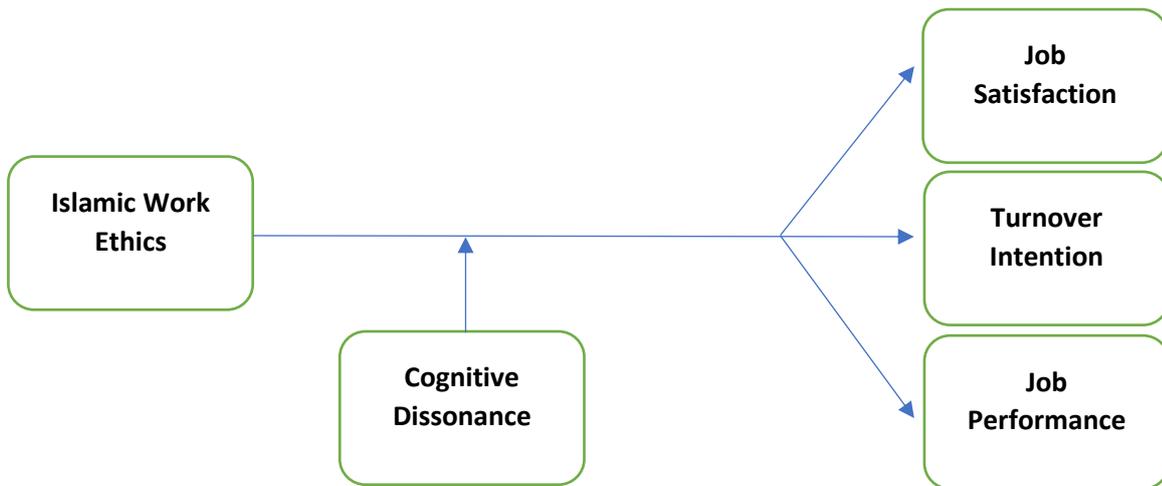
As Muslim countries are increasingly involved in global activities, the issue of compatibility of global moral standards with Islam work standards is arising. Though, no published studies have explored the association between Islamic work ethics and cognitive dissonance in organizations. Therefore, this paper intends to make three main theoretical and managerial contributions to the existing literature on work ethics, in particular IWE, and cognitive dissonance.

(1) On a theoretical standpoint, we intend to participate to IWE theory by confirming and demonstrating that IWE can influence important employee outcomes i.e. job performance, job satisfaction, and turnover intention. Work ethics represent an over-arching theory stating that attitudes and behaviors at work are strongly molded by ethical beliefs (Weber,1930).

(2) Building on the idea that globalization may induce moral conflicts at an individual level in countries in which spirituality strongly structures social life, we intend to show the impact of cognitive dissonance on the relationship between IWE and three important employee outcomes, i.e. job satisfaction, job performance and turnover intention (figure 1). This second intended contribution is based on cognitive dissonance theory (Festinger, 1957) stating that psychological distress created by dissonance induces individuals to change their attitudes and behaviors.

(3) Lastly, on a managerial standpoint, by surveying employees working in banks and international universities in a Muslim country, i.e. Pakistan, we intend to disclose some of dynamics between IWE and economy. By analyzing the links between IWE and work outcomes, we hope to help managers to shape work environments in organizations involved with IWE.

**Figure 1: Research model**



## **Literature Review**

### **Work Ethics**

Aristotle is often considered as the philosopher who initiated the history of business ethics. Aristotelian ethics incorporates both the corporation and the individual without pretending that one or the other is an autonomous entity. Corporations are made up of people, and people are defined by corporations. The Aristotelian approach to business ethics begins with the twofold idea that it is individual virtue and integrity that count (Solomon, 2004).

In research, definition of Protestant Work Ethics (PWE) has been influential for consecutive definitions of other work ethics (Hamid & Mahdi, 2011). Most varieties of work ethics such as Confucian Work Ethics (Lim & Lay, 2003), Islamic Work Ethics (Ali, 1988; Yusuf, 2000) and Australian Work Ethics (Ho, 1984) are formed from religious perspectives. PWE has been considered as one of the main driving forces behind the economic success of European countries and America (Ho, 1984). On another continent, work ethics derived from Confucian values have been considered as one of the main reasons for the economic successes of the five Asian Dragons, namely China, Japan, Taiwan, Hong Kong and Singapore (Usman, 2016). Both work ethics encourage hard work and diligence towards work, though their underlying assumptions are different: PWE advocates individualism while Confucian values put the stress on collectivism (Lim & Lay, 2003). Lastly, Australian Work Ethics is based on the belief of independence and the need to make one's own way in the world; it is also mostly correlated to PWE (Ho, 1984). Concerning Islamic Work Ethics (IWE), its impact on economy needs further investigations.

IWE was initially derived from the holy book of Muslims, the Quran, the education taught by the Messenger (Ali, 2005; Rizk, 2008). In particular, Islamic principles and values are based on an inclusive, self-sufficient philosophy and are presented as universal and applicable to every aspect of social life (Abbasi et al., 2011). IWE contains financial, societal and ethical values (Ahmad, 2011). Relatively to corporate life, IWE dictates that organizations can pursue their economic goals but not at the expense of their moral obligations to society (Beekun, 1997). Precisely, Islamic principles foster cooperation among employees to create a positive climate and a productive work environment (Husin, 2012). Some writings about IWE specify that it contains resemblances with protestant work ethics. Indeed, both Islamic and Protestant work ethics emphasize on working hard, obligation, commitment to work, work originality

while avoiding unethical and immoral ways of wealth gathering, collaboration and competition at the work place (Yousef, 2001). The first definitions of IWE began in the 1980's (Nasr, 1984; Ali 1988, 1989, 1992) stressing one important difference between PWE and IWE: the latter focuses on intentions as an object of Divine evaluation rather than on results of actions. Eleven concepts issued from Islam relying on the Holy Prophet Muhammad's sayings are used as bases to explain IWE: pursuing legitimate business, earned (instead of inherited) wealth, quality of work, fair wages, reliance on one's effort, evaluation of intentions and deeds (rather than results) in terms of benefits to the community, generosity, transparency, and condemnation of monopoly, bribery and greed (Ali, 2005; Ali & Al- Owaihan, 2008).

### **Islamic Work Ethics, employees' attitudes and work behaviors**

Job satisfaction is an assessment of the general value of an individual's current job. It is defined as a collection of feelings that individual holds towards his or her job (Robbins, 2005). The assessment may contain either an effective alignment towards one's job or job position or an attitude one holds about the job; a worker who has a high level of job satisfaction will carry confident and optimistic perception towards his job and vice versa (Spector, 1997).

Importantly for work life, the relationship between work ethics and job satisfaction has been investigated in previous studies (Blood, 1969; Bokemeir and Lacy, 1987; Fisher and Gitelson, 1983; Ali, 1987; Aldag and Brief, 1975; Morrow and McElory, 1987; Abboushi, 1990). A few studies have specifically explored the role of IWE on employees' attitudes (e.g. Ali, 1988, 1992; Yousef, 2000, 2001; Ali & Al-Kazemi, 2007). IWE has a direct positive effect on job satisfaction (Yousef, 2001; Koh and Boo, 2001; Viswesvaran and Deshpande, 1996; Vitell and Davis, 1990; Ali, 1988). Understanding the relationship between work ethics and job satisfaction is essential in determining methods of intervention and strategies for justifying factors that reduce satisfaction towards working conditions (Yousef, 2000). Ahmad (1976) suggested that Islamic work ethics stands not for life denial but for life fulfillment and regards business motives as one of the priorities of life. As a result, employees who believe in Islam and follow Islamic ethics tend to be more satisfied with their job and more committed to their organizations. Schwepker (2011) showed that moral behavior in the workplace affected employee satisfaction and decreased intention of leaving the workplace. The relation between business ethics and job satisfaction was also clarified by Koh and Boo (2004) who explained that justice awareness affected job perception and job performance.

These assertions led to formulate the following hypothesis:

**H1.** *“Islamic work ethics is positively related to job satisfaction.”*

Turnover intention is a mental choice interconnected between a person's attitude regarding his or her work and the decision to continue or quit the job (Sager et al, 1998). It has a significant impact on organizational performance. An increasing deficiency of organizational faithfulness produces an increased turnover ratio (Abbasi, 2000). Moral behavior in the workplace affects employees' intention to leave the workplace (Schwepker, 2001). IWE is based on justice perceptions within the organization (Rokahman, 2010). Employees' awareness about justice affects work attitudes and performance. In the light of organizational justice theory, observation of equality and justice implies that workers feel satisfied with management and organization (Hartman et al., 1999).

Based on these arguments, we formulated the following hypothesis.

**H2.** *“Islamic work ethics is negatively related to turnover intention”.*

Businesses which show ethical direction develop a positive image in the public perception and form positive principles and values (Mead, 1998). Organizations that invest in ethical behavior development generate collective commitment and positive community positions (Ali and Al-Owaidan, 2008; Jalil et al., 2010; Sabir et al., 2012; Sparrow et al., 2010). Forming ethical beliefs and attitudes and using them at work produces a positive work climate which, eventually, leads job performance.

Job performance refers to actions, behavior and outcomes that employees engage in or bring about, that are linked with and contribute to organizational goals (Campbell 1990). It covers a person's contribution to organizational performance, refers to actions that are part of the formal reward system, and addresses the requirements as specified in job descriptions (Williams and Karau, 1991).

Ali (2005) stated that Islamic work ethics values hard work, effort, competition, loyalty, transparency and morally responsible behavior. Similarly, Kumar and Rose (2010) found out several useful manners which resulted from putting IWE into action. Jalil et al. (2010) said that "Islamic work ethics produces positive effects on well-functioning of employees and organization". Also applying IWE in organizational processes produces constant progress and performance (Ahmad, 2011; Ali and Al-Owaidan, 2008; Husin, 2012; Jalil et al., 2010; Kumar and Rose, 2010). As IWE promotes productive work in each position held by employees for a better performance of the overall organization (Ali, 1988), IWE was theoretically associated to job performance (Ali & Al-Owaidan, 2008). We propose to empirically validate this assertion with the following hypothesis:

*H3. "Islamic work ethics is positively related to job performance."*

### **Cognitive dissonance as a moderator**

It is established that a tension exists between behavior that can be categorized as ethical and the imperatives of a successful business (Parson, 1995). This tension between ideal and prescribed behaviors at workplace creates dissonance at the cognitive level. Cognitions are "essentials of opinions, beliefs, perceptions and knowledge that individuals have about their attitudes, behavior, and environment" (Festinger, 1957). Cognitive dissonance theory (Festinger, 1957) describes that two thoughts or perceptions can be either associated or unrelated to each other. Consonance occurs when two cognitions related to a situation are in coherence and dissonance occurs when two related cognitions are opposite to each other. Cognitive dissonance causes psychological stress which motivates individuals to change their thoughts or actions. Two factors determine how much the dissonance motivates individuals to change (Festinger, 1957). The first factor is the importance of the cognition: the more personal and important the thought is, the more individuals want to reduce the dissonance. Religious and political beliefs are known to cause strong dissonance perceptions when they conflict with an individual's other thoughts or actions (Justin, 2010) and (Batson, 1975). The second factor is the ratio of dissonant to consonant elements in a situation: the stronger the ratio, the more the individual is motivated to reduce the psychological distress created by cognitive dissonance.

Cognitive dissonance in the workplace is common and a significant cause of stress for employees. In organizations, employees are regularly exposed to, or forced to tolerate values and to execute tasks which conflict with their sense of what is right and wrong, their ethics, or their personal values. Dissonance is an outcome of performing an activity in a way that is in contradiction with one's moral logic and ethical integrity (Steele, 1988). When faced with conflicting beliefs, employees often experience personal dissatisfaction, distress and a state of permanent tension which can result in a range of effects including reduced work performance.

Most individuals consequently perceive a drive to lessen the disagreement that is experienced (Cooper & Carlsmith, 2001) and (Stone & Cooper, 2001).

Cognitive dissonance can be considered as a stressor that has negative impacts on job outcomes (Grebner et al., 2003). Absenteeism is one of the most common effects of cognitive dissonance in the workplace. Employees may find it easier to justify absenteeism than to be exposed to dissonance and stress. Eventually if not addressed, cases of chronic cognitive dissonance can result in employee turnover. This is often a significant loss in terms of organizational knowledge and resources.

If employees perceive that their organizations do not support ethical behavior, dissonance results. It contributes to dissatisfaction with working conditions. The discrepancy between internal standards of ethics and perceived organizational support for ethical behavior engenders a moral conflict (Dozier & Miceli, 1985). This conflict creates cognitive dissonance (Festinger, 1942), which, in turn, affects job satisfaction. Employees who perceive their top management as unethical face dissonance which ultimately has a negative effect on job satisfaction (Giardini & Frese, 2006) and job performance (Hulsheger & Schewe, 2011).

Cognitive dissonance theory (Festinger, 1957) can explain some impacts of IWE in the workplace. Fundamentally, workers need uniformity and consistency between their ethical views and the ethical standards prevailing in their organization (Schwepker, 1999). Striving to preserve their personal ethics, employees will expect substantial support from top management for their ethical behaviors, favorable ethical atmosphere in their organizations and a direct link between ethical behavior and career success. As top management acts as a referent group for employees and builds the ethical climate in organizational settings, any incongruence between moral standards of top management and internal standards of employees will result in a moral controversy and cognitive dissonance (Dozier & Miceli, 1985). If employees perceive that their moral expectations are not fulfilled in their organizations, employees will feel a dissonance that reduces the positive impacts of IWE on their job satisfaction.

Based on the above arguments, we can formulate the following hypothesis:

***H4. “Cognitive dissonance moderates the relationship between IWE and job satisfaction such that the positive relationship will be weaker for those who are at high levels of cognitive dissonance”.***

In addition to perceived consistency between internal and external standards, moral development of an individual may influence the level of dissonance experienced before and after ethical decisions. Most of the time, managers are able to make decisions for the benefit of their organizations and these decisions may conflict with their personal values. In a study, which inspected the effect of moral progress on cognitive dissonance before and after ethical decisions have been made, Lii (2001) found out that executives with high degree of moral growth were not affected by cognitive dissonance when they made an ethical choice and gave up individual advantages. These managers were more likely to make ethical decisions than other managers. Cognitive dissonance can depict the psychological mechanisms behind moral issues in companies and forecast an employee’s likelihood of making decisions based on individual gains (Lii, 2001).

Behavioral intentions are related to such decisions. Doran et al. (1991) proposed that workers who entered an organization with the intention to quit would subsequently report lower levels of job satisfaction than individuals who entered with the intent to stay since they want consistency in cognitions about their attitudes, behavioral intentions, and behaviors. Nevertheless, in accordance with Brehm and Cohen’s (1962) emphasis on free choice

perception, the relationship between intention to quit and job satisfaction was found to be stronger when employee's economic choice was higher. This assertion supports the idea that pressures for consistency are greater when individuals' perceived freedom is high rather than when it is low.

The above discussion leads us to formulate the following hypothesis.

**H5.** *“Cognitive dissonance moderates the relationship between IWE and turnover intention such that the negative relationship is weaker for those who are at high level of cognitive dissonance.”*

Increasing the power of human potential in the workplace through creation of an involving and motivating organizational environment has been acclaimed as a key source of competitive advantage for business organizations (e.g., Lawler, 1992; Pfeffer, 1994). When employees perceive the potential for satisfying their psychological needs and do not face dissonance in the workplace, they engage themselves completely and invest time and effort in their work (Kahn, 1990; Pfeffer, 1994). In addition, evidence suggests that favorable employee perceptions of organizational environments lead to superior job performance. Brown & Leigh (1996) showed that the following conditions lead to employees' involvement and job performance: management perceived as supportive, clear work roles, freedom to express and be oneself, feeling of making a meaningful contribution, absence of dissonance and challenging work. Conversely, dissonance entails an arousal state and affects task performance (Pallak & Pittman, 1972).

From this discussion, the hypothesis is proposed as follows:

**H6.** *“Cognitive dissonance moderates the relationship between IWE and work performance such that the positive relationship will be weaker for those who are at high level of cognitive dissonance.”*

## **Methodology**

We chose a quantitative methodology, a hypothetico-deductive approach because a body of literature already exists on the topic. The hypotheses under our study are developed to test variants on established theories to refine them based on those identified variables. This doesn't *prove* the established theories but rather improves them with additional datasets that support or align with the original results. Since quantitative research data is delivered in numerical form, we can apply statistical tests to that data to produce descriptive measurements that can then be used to make predictions within the confines of the degree to which the sample population can be considered to be representative of a larger population

## **Sample**

Participants of this study were chosen among faculty of different business and management universities and staff of Islamic banks of three main cities of Pakistan (Islamabad, Lahore, Quetta). The reason for choosing teaching faculty in Pakistan is that the country's government has implemented since more than 15 years a plan for faculty internationalization. Faculty from educational institutions plays an important role in influencing moral norms and attitudes in a society. University teachers are trained in various foreign countries to obtain a PhD and might be confronted to moral conflicts when coming back to their country. Similarly, staff from Islamic banks in Pakistan might be confronted to cognitive dissonance when making decisions in a global financial market driven by varying underlying assumptions.

## **Data collection**

The questionnaire was organized in two sections. The first section aimed at collecting participants' levels of agreement with propositions concerning IWE, job satisfaction, job performance, and cognitive dissonance. All participants were requested to specify their level of agreement on a five-point Likert scale which ranged from 1 = strongly disagree to 5 = strongly agree. Demographics of the participants were included in the second section of the questionnaire.

Survey data was collected by using the 52-item questionnaire. Simple random sampling technique was used. Overall, 350 questionnaires were distributed, and 273 questionnaires were recovered with a response rate of 78 %. Out of retrieved questionnaires, 252 questionnaires were finalized and usable for statistical analyses with SPSS 20.0.

## **Measures**

### *Islamic Work Ethics*

Islamic work ethics was measured with the scale developed by Ali in (1992). Though Ali and Al-Owaihian (2008) provided a renewed definition of IWE, they measured IWE with the original scale of Ali (1988). The short version of the scale that was used is composed of 17 items. This scale was used in different countries with high reliability coefficients. The Cronbach's alpha in this study was 0.87.

### *Job Satisfaction*

Job satisfaction was measured by using the 3-item scale from Dubinsky and Harley (1986). The scale was used in different studies producing reliable results. The Cronbach's alpha for this measure was 0.78.

### *Turnover Intention*

To measure turnover intention, a 3-items scale was adapted from previous research (Hom & Griffeth, 1991; Luna-Arocas, & Camp, 2008). This scale has also been used in several Islamic countries. The Cronbach's alpha for this measure was 0.85.

### *Job Performance*

Job performance was measured with a 7-items scale which was adapted from previous research William & Anderson (1991). Decent evidence for the reliability of the scale has been reported. The Cronbach's alpha for this measure was 0.73.

### *Cognitive Dissonance*

Cognitive dissonance was measured using the 22-items scale adapted from Sweeney & Hausknecht (2000). In previous studies, the scale has proved to be valid and reliable. The Cronbach's alpha for this measure was 0.82.

## **Data analysis and results**

Prior to analysis, data was checked for normality, outliers and missing values. Skewness and Kurtosis were satisfactory proving that distributions could be considered normal. Descriptive statistics, such as frequencies and percentages, informed on the main characteristics of the sample. The composition of the sample consists of 73% male and 27% female, Phd/Mphi 18.6%, masters 58.7% and graduates 22.6%.

For each measure, means, standard deviations and correlations are computed and reported in table 1. Standard deviations show sufficient variance in the responses; most correlations are significant and moderated.

**Table 1**

*Means, standard deviations and correlations*

Variable	M	SD	1	2	3	4
1 Islamic Work Ethics	3.457	.86				
2 Job Satisfaction	3.604	1.102	.12*			
3 Turnover Intention	2.578	.569	.10	-.16*		
4 Job Performance	2.789	1.605	.25**	.30**	.11	
5 Cognitive Dissonance	4.511	1.075	.33**	-.15*	.32**	-.21**

N=252. \*p<.05, \*\*p<.01. \*\*\*p<.001.

To test the direct relationships, simple regressions analysis was conducted. For hypothesis 1 which stated that IWE was positively related to job satisfaction, results ( $\beta = .167$ ,  $p = .05$ ) indicate that the relationship between IWE and job satisfaction is positive and significant. Hypothesis 1 is accepted.

For hypothesis 2 which proposed that IWE negatively affected turnover intention, results ( $\beta = .113$ ,  $p = .114$ ) show that the relationship is insignificant. Hypothesis 2 is rejected.

For hypothesis 3 which stated that IWE was positively related to job performance, results ( $\beta = .351$ ,  $p = .000$ ) show that the relationships are positive and significant. Hypothesis 3 is accepted.

To test for moderation, Process Macro from Preacher & Hayes (2008) was used. For hypothesis 4 which stated that cognitive dissonance moderated the relationship between IWE and job satisfaction such that the positive relationship would be weaker for those who would be at high levels of cognitive dissonance, the  $b = .6958$  and is significant with  $p = .01$  (Table 2). Figure 2 shows that IWE leads to higher levels of job satisfaction for the lowest values of cognitive dissonance.

Hypothesis 5 was not supported by the data as no direct relationship between Islamic work ethics and turnover intention was found; consequently, moderation was not tested for this hypothesis.

For hypothesis 6 which stated that cognitive dissonance moderated the relationship between IWE and of job performance such that the positive relationship would be weaker for those who would be at high levels of cognitive dissonance. Results for the  $b = .6990$  and  $p = .03$  prove that the value is significant for the dependent variable, job performance (Table 2). Figure 3 shows that IWE leads to higher levels of job performance for the lowest values of cognitive dissonance.

Table 2. Results for moderated model

Variables	Job Satisfaction		Job Performance	
	R <sup>2</sup>	B	R <sup>2</sup>	B
IWE x CD	.2141	.6958	.1198	.6990

N=252, IWE= Islamic Work Ethics, JS= Job Satisfaction, CD=Cognitive Dissonance  
\*p<.05, \*\*p<.01. \*\*\*p<.001.

Figure 2: Moderation effect of cognitive dissonance on job satisfaction

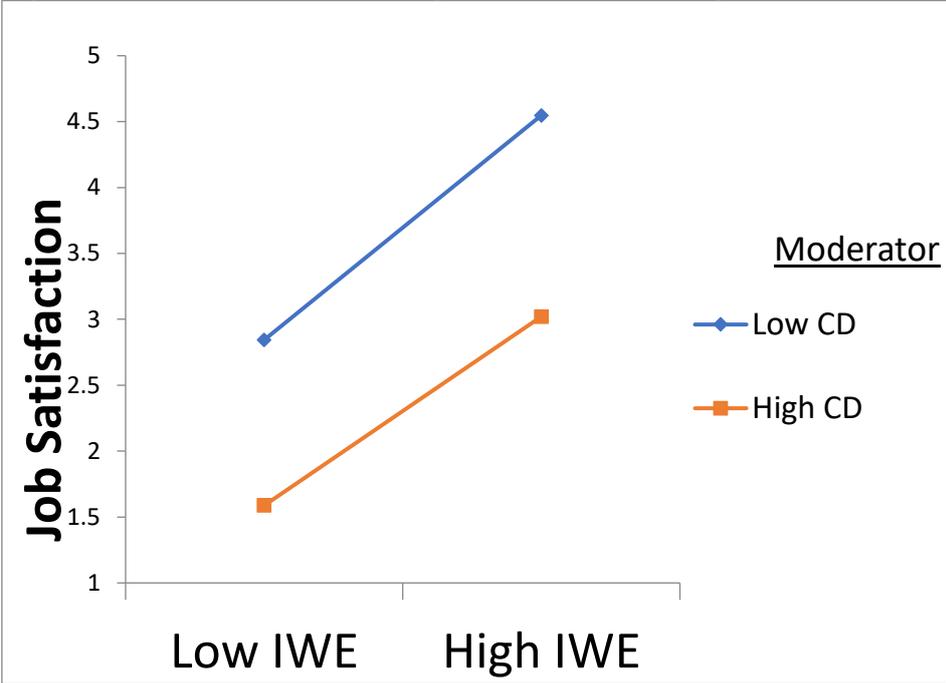
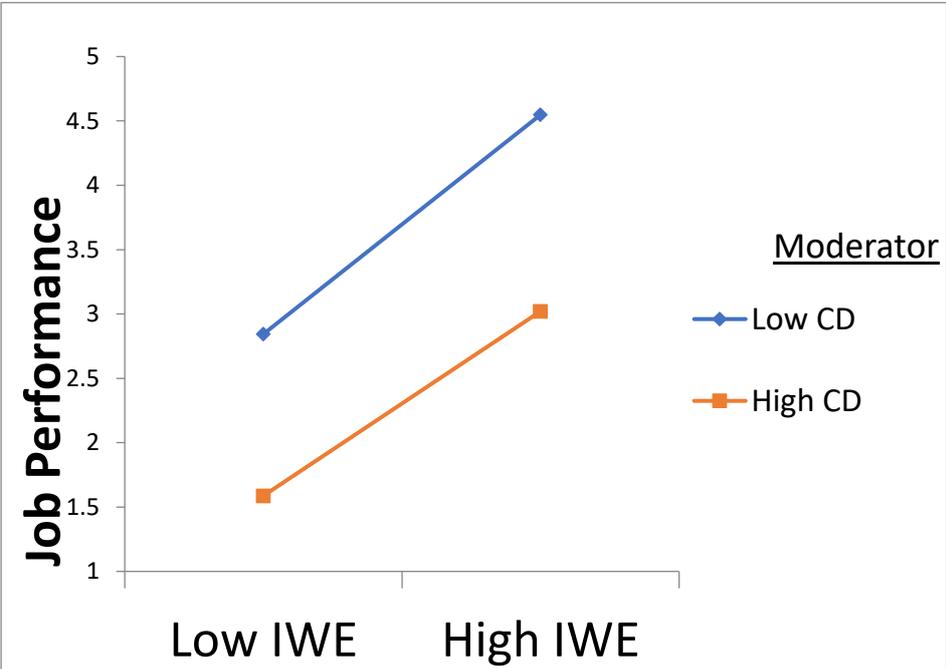


Figure 3: Moderation effect of cognitive dissonance on job performance



## Discussion

The first objective of this study was to test the impacts of IWE on job satisfaction, turnover intention and job performance.

For the first and third hypotheses, results show that the relationships between IWE and both job satisfaction and job performance are positive and significant. Our results are compatible with previous studies where work ethics was positively related to job performance (Andrisani and Parnes, 1983) and job satisfaction (Blood, 1969; Yousef, 2001; Grbac & Loncaric, 2009; Ali & Al-Owaidan, 2008). Compatible results were also found in previous research specifically on IWE (Yousef, 2001; Koh & Boo, 2001; Viswesvaran & Deshpande, 1996; Vitell & Davis, 1990).

Islamic work ethics enables a person to be happy and satisfied with what he or she has got (Junaidah, 2010). Spirituality provides a meaning for the job which increases the likelihood of satisfaction.

IWE values dedication to and quality of work, it molds employees' behaviors in those directions. Working hard and with honesty, employees who conform to IWE report stronger job performance than other employees. Based on hard work, one can only get success in life and the failures are due to the laziness and unwillingness to work. (Ali & Al\_Owaidan, 2008).

The second hypothesis is not supported as results indicated an insignificant effect of IWE on turnover intention. This finding is congruent by Pettijon et al. (2008) and Wahibur Rokhman (2010). IWE teaches loyalty to one's organization. Other factors than IWE may explain the absence of a significant negative relationship between IWE and turnover intentions.

Past studies on IWE and job performance, job satisfaction or turnover intentions were conducted in different countries, mostly developed, but also emerging ones like Malaysia (Muhammed, 2010), Kuwait (Ali & Kazemi, 2007), Saudi Arabia (Ali,1992), Indonesia (Wahibur Rokhman, 2010), and Iran (Chanzanagh, 2011). In this study, we chose a sample from Pakistan which is a developing country (World Bank, 2017). Our study strengthens and enlarges the generalizability of previous findings. It highlights that those individuals who strongly care for and support IWE tend to be more satisfied with their jobs and are more productive as compared to those who have less inclination towards IWE.

Previous studies were done on various sectors of Pakistan. Waiza Rahman (2012) studied IWE in healthcare sector particularly in nursing staff, Yousuf et el (2012) studied agriculture sector and Sadozai.A et el (2013) took government organizations to study IWE. In this study, we considered banking and education sectors in Pakistan, as both sectors hold most qualified individuals, who can understand work environment and complexities connected with the organization.

The second objective of this research was to analyze cognitive dissonance as a moderator of the previous relationships. Results proved that cognitive dissonance moderated the positive effects of IWE on job satisfaction and job performance. Cognitive dissonance is generally viewed as a negative element of work environment (Grebner et al., 2003). If employees feel that their work environment is not ethically supportive, they will face dissonance due to a difference between their moral values and the unethical organizational environment. The inconsistency between employee's standards of ethics and perceived organizational support for ethical behavior endangers a moral conflict (Dozier & Miceli, 1985). This conflict creates cognitive dissonance (Festinger, 1942), which in turn, affects the conditions that create job satisfaction.

## **Managerial implications**

As scholars such as Ali (2001) and Ali, Al-Kazemi (2007) mentions, Islamic work ethics “is of a great importance for the development and success of Muslim societies and their organizations.” The results of this study have several implications for managers doing business or working with universities in Islamic countries. The findings provide some insights into the critical role of IWE in increasing job satisfaction and job performance. Managers’ efforts can be directed toward supporting IWE at the workplace. Ethics is considered as one of the key components of any organization’s core values. Managers working in Islamic countries can develop and implement Islamic codes of ethics to enhance employees’ dedication and involvement in their jobs. Through proper trainings and lectures, levels of IWE can be enhanced among employees.

Empirical evidences support the assumption that, to achieve high levels of job satisfaction and performance of employees, organizations should emphasize on Islamic work ethics during recruitment and orientation. Organizations should focus on workers’ work ethics when performing their assigned tasks as well as on social responsibilities. Based on Islamic work ethics, fairness and generosity in the workplace are important factors for the wellbeing of workers and society; justice may be implemented at all levels. Benefits from the organization should be implemented in a fair manner to all staff.

Furthermore, managers should consider Islamic work ethics in the organizations in planning their human resource policies and strategies. Besides, to maximize job satisfaction and performance, managers need to support the Islamic work ethics in their organizations. Thus, the managers can assure that every worker should energetically contribute in the training and learning plans that place more importance on the application of the Islamic morality and ethical values. Work is not an end but a means to foster personal growth and social relations. There is a strong need to establish relations network among the employees at lower, peer and top level that could enhance the cooperation culture among the employees.

## **Limitations & future directions**

There are some limitations to this study which need further consideration for enhanced results. The sample size is small and future research should incorporate larger data and more organizations should be visited to receive improved findings. Information was collected using a self-report questionnaire, so social desirability bias could potentially be an issue. This study has used cross-sectional method to collect data which may induce common method bias; for better findings longitudinal research can also be used for further study. Some control variables such as culture, economic factors, gender, family responsibilities could also be introduced in the study as they may affect attitudes and behaviors at work.

The model could be enriched with other dependent, moderating and mediating variables like stress, organizational citizenship behaviors, organizational culture, and locus of control.

## **Conclusion**

Spirituality applied in the work setting can bring positive outcomes. This is what the present study tends to prove by showing a significant and positive relationship between Islamic work ethics and job performance and job satisfaction. Workers can derive a strong satisfaction from their work when they implement Islamic work ethics. Organizations can benefit from IWE with increased employee job performance. Though, when employees perceive cognitive dissonance at work, those beneficial effects are decreased. To avoid such dissonance, deep understanding of IWE and its dynamics are necessary.

Globally, Muslims make up the second largest religious group in the world with 1.8 billion believers, which represents 24% of the world's population and a major part of the world workforce (Pew Research Center, 2017). Developing knowledge on Islam in the workplace, for instance through IWE, should ease international business as well as international intellectual collaborations with the Muslims. Such knowledge should be useful for non-Muslims business or academic partners of Muslims but also for Muslims themselves as their generally traditional societies are confronted to deep societal, economic and political changes.

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