4th AICIF 2016

4th ASEAN International Conference on Islamic Finance
"A Re-evaluation and Way Forward"

6th - 8th December 2016 ● Equatorial Hotel, Melaka, Malaysia

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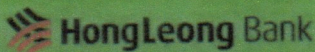International Islamic University Malaysia

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The Role Of Islamic Values On The Employee's' Performance In Organizational

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Abstract

The study related workplace Spirituality, spirituality values, and organisation change has been risen interestingly, however the existing research still partial in nature. It is therefore, the study aims to investigate the relationship between religiosity, manifest Needs, Islamic work ethic and innovation capability in the comprehensive approach. The samples were 202 respondents of civil servant of Semarang municipality. Result showed that there is a positive and significant effect religiosity on the needs for achievement, needs for power and Needs for affiliation. The needs for achievement and needs for affiliation have positive impact on Islamic work ethic. The needs for power no significant effect on islamic work ethic. Islamic work ethic has positive impact on innovation capability.

Key words: Spiritual Islami, manifest needs, needs for achievement, needs for power, needs for affiliation, islamic work ethic, innovation capability

INTRODUCTION

A number of recent studies have shown the importance of religious and spiritual values in human resource management and organizational behavior in an organization. The study about the spirituality in the workplace has been conducted by various researchers including Garcia Zamor, 2003; Klenke, 2003; Mitroff and Denton, 1999. Furthermore, the study about the attitude of employees toward organizational *outcomes* has also been conducted by Milliman *et al,* 2003 and the spirituality in the workplace related to the performance has also been conducted by Duchon and Plowman (2005). The religious

values have gained the attention of some researchers in the field of organization recently. King and Schafer (1992) found that high levels of religiosity were related to the level of someone difficulty in life. Sawatzsky, Ratner and Chiu (2005) examined the correlation of spirituality and quality of life and concluded that there is a correlation between these two constructs. Giacalone and Jurkiewicz (2003) attempted to investigate spirituality in organizations and identify some weaknesses that should be corrected so that the emergence of new paradigm could be accepted by the community.

Some studies suggest that organizational change can be implemented through the implementation of spiritual values in the workplace (Konz and Ryan, 1999; Fry, 2003; French and Bell, 2001). Some important aspects to make changes in the organization are the religious values owned by employees, the needs of employees in work, work ethic and *organizational outcomes* such as innovation capability. The spiritual dimension covers a scope meaning of the essence, eternity and mortality. In the perspective of religious, spiritual dimensions are always directly related to the reality of God and the core of humanity (Tobroni, 2005). The study conducted by Elci (2007) found that the religious value had positive and significant impact on the orientation of hard work. Some studies also indicate that *religiosity* has positive effect on work attitudes (McClelland, 1961; Simmons, 2005; Weaver & Agle, 2002) and some others are not (Chusmir & Koberg, 1988; Ford & Richardson, 1994). Several studies that examine the correlation of work ethic and the organization have accepted *the outcome* and concerned in some literature (Putti et al., 1989; Oliver, 1990 ;; Jones, 1997; Saks et al., 1996). The studies on the correlation of Islamic work ethic with organizational commitment and job satisfaction; the correlation of *role conflict* and *role ambiguity;* and the correlation of work attitudes and organizational change (Yousef, 2000) have been carried out. Individuals who have a high work ethic tend to work harder (Tang & Baumeister, 1984), be more diligent in all aspects of their career and become a highly productive employee (Weber, 1958). A person without strong work ethic tends to be lazy, unethical and has a weak character. At macro level, the lack of hard work causes the emergence of social issues (Mudrack, 1999). The importance of work ethic inspires further research on some personal characteristics. The need of manifestation by Mc Clelland states that *religiosity* can be a useful predictor for the hard work. Hard

work is an important indicator of *Islamic work* ethic (IWE) and *the Protestant work ethic* (PWE). The McClelland's need theory suggests that individuals can incorporate a variety level of needs such as the need for achievement, power and affiliation. If such needs are influenced by the aspects of religiosity, it will further enhance the work ethic and innovation capability. The study on the correlation of Islamic *work ethic* (IWE) and the innovation capability by Kumar (2008) concludes that there is a strong correlation between the IWE index and the items of innovation capability. This is in line with the findings by Ali (2008), Yousef (2001) which states that IWE affects *outcomes* of the organizations such as organizational innovation capability. Therefore, there is a major contribution of spirituality on psychological aspect of a person in the work, which will significantly affect the performance improvement.

Based on the results of various empirical studies, it is shown that the implementation of spiritual and religious values is able to provide role in organizational change. Specifically, it is mainly related to the role of adherence to religion which is able to affect the level of employee needs for power, achievement and affiliation, Islamic work ethic and innovation capability. This study aims to assess further efforts to improve organizational outcome in the form of innovation capability through the religious adherence, employee needs and Islamic work ethic.

Religiosity and Manifest Needs

Religiosity is generally described related to cognition (knowledge of religion, religious beliefs) that affects what to do with emotional attachment or emotional feelings about religion, or behaviors, such as attendance at a place of worship, reading Holy Scripture, and pray (Elci, 2007). Someone who says that he is religious tries to understand life deeper than mere outward boundary, which moves in the vertical dimension of life and transcends this life. (Syafiq and Wahyuningsih, 2009). Nashori & Mucharam (2002) states that religiosity is how far the knowledge, how sturdy the belief, how the implementation of the rules and the worship, and how deep the appreciation of religion itself. Several previous studies have shown that there is a positive effect of religiosity on work attitudes (McClelland, 1961; Simmons, 2005; Weaver & Agle, 2002). On the other hand, some studies found that there was no effect between religiosity and work attitudes. The study

conducted by Sherkat & Allison (1999) concludes that women are more religious than men. Education is also a predictor of religiosity. A higher education level tends to be associated with traditional religious beliefs, but they are more likely to join the organization religiosity. Gaede (1977) states that a person who needs higher education generally becomes less religious. A study also shows that individuals who are old are more religious than those who are young (Hout and Greeley, 1990). The measurement of religiosity can be focused on the involvement in religion and behavior or the attitudes and orientations toward religion. There are four dimensions to bring in strict adherence to the religion i.e., *public participation, religious affiliation, private religious practice* and *religious coping* (Leondari, 2009). Hackey and Sanders (2003) examined the correlation of the religious observance and the dimensions of *well-being* such as life satisfaction and self-actualization, it was concluded that there was a positive correlation between religious institutions and high adherence of a person.

Mc Clelland (1961) argues that there are three kinds of human needs, i.e., *Needs For Achievement,* it is the need for achievement as a reflection of responsible encouragement for solving the problem that is reflected to do things better than the competitor, obtain or pass through difficult target, solve complex problems, complete a challenging task to manage and develop the best way to do things; *needs for affiliation,* it is the need for encouragement to interact with other people, be with other people, not want to do anything harmful to others which are reflected on the state of being liked, accepted as part of a group or team, working with people who are friendly and cooperative, maintaining a harmonious relationship, reducing conflicts and participating in social activities with fun; *Needs for power,* it is a reflection of encouragement to achieve authority to have influence on others that is reflected in influencing others to change their attitudes or behavior, controlling the people and activities, being in a position of more power than others, gaining control of information and resources and defeating opponent or enemy. The study conducted by Elci (2007) concludes that there is no significant correlation between religiosity and the need for achievement and affiliation, yet, it is negatively related to the needs of power. Ray (1982) found that there was no difference in the level of achievement and motivating power between *Protestant* and *Roman Catholic.* Chusmir and Koberg

(1988) found a significant and positive correlation between religious beliefs and need for achievement of managerial employees. Based on the empirical results, it can be formulated the following hypotheses;

 H1: Religiosity affects the need for achievement

 H2: Religiosity affects the need for power

 H3: Religiosity affects the need for affiliation

Manifest Needs and Islamic Work Ethics

Work ethics show the high quality characteristic in a person that reflects nobility and excellence in character and a cultural norm that contains positive moral values to do a good job based on the belief that the work has an intrinsic value for the person. Based on work ethic, a person carries out the work properly. Motivation and self-actualization, the values espoused, and belief or religious play important role in the formation of fundamental attitudes. Work ethic without spiritual values often violates norms, moral and ethical, even though the work ethic itself is high. The concept of work ethic in Protestant was firstly disclosed by Weber (1958), which filed a causal relationship between the Protestant ethics with the development of capitalism in Western societies. According to Weber's theory, success in the business world correlates with religious beliefs. Weber states that the Protestant Reformed faith has spiritual beliefs against capitalism and it is based on the assumption that the work and financial success is not only for personal purposes but also to the interests of religious purposes.

Mirels & Garrett (1971); Furham (1984), states that the individual characteristics influence the attitudes, values and behavior. Beit-hallami (1979) found that *Protestant Work Ethic* (PWE) was not related to achievement motivation or work attitudes. Cassidy and Lynn (1989) also suggest that the work ethic is one of the six factors of achievement motivation. Miller, Woehr and Hudspeth (2002) found that there was correlation between the dimensions of the work ethic and the needs of employees in the organization; hard work had significant correlation with the need for power and dimensions of work ethic negatively correlated with the need for affiliation. The study conducted by Chusmir and Koberg (1988) using the scale of the Protestant work ethic found that it had positive correlation with the need for power. The dimensions of the Protestant and Islamic work ethics are not

much different. They have many similarities; one of them is hard work. In the context of Islam as described by Ali (1987) Islamic work ethic is derived from the Qur'an and the Sunnah of the Prophet Muhammad. Islamic Work Ethic considers dedication to work as *a virtue*. A maximum effort must be done by individual in work because it is the obligation of an individual who is capable of. Islamic work ethic emphasizes on creative work as a source of happiness and achievement *(accomplishment)*. The scale of the Islamic work ethic developed by Ali (1987) concludes the hard work is seen as a *virtue* (virtue) and someone who works hard will succeed in life and vice versa. Based on the results of the previous empirical study, it can be arranged hypotheses as follows:

H4: Needs for achievement affects Islamic work ethic

H5: Need for power affects Islamic work ethic

H6: Need for affiliation affects Islamic work ethic

Islamic Work Ethics and Innovation Capability

Some previous studies give more attention to the importance of the work value (Chatman, 1991; Meglino, Ravlin, & Adkins, 1989; Shapira & Griffith, 1990). Work value has not only been able to predict *work outcomes* (Meglino, Ravlin, & Adkins, 1989; Shapira & Griffith, 1990), but also in terms of recruitment and selection which have been considered to be included in the selection process (Adkins, Russell, & Werbel, 1994; Chatman , 1991). The study emphasizing the importance of the work has been done by several researchers, including a correlation between the work ethic and some behaviors such as job performance, *turnover* and *absenteeism* (Shapira & Griffith, 1990), belief value of *the Protestant work ethic* (PWE) which is able to predict the behavior of labor (Furham, 1990). Some studies also show that there is significant relationship between confidence in the work value and work attitude (Blood, 1969). A study also shows that there is a positive relationship between work ethic and organizational commitment (Chusmir & Koberg, 1988). The theory about work ethic is, then, developed by linking it with transcendental values.

Innovation capability in this study is the level of confidence in the public sector to generate new ideas which are useful for improving public services or create new products. (Lee & Choi, 2003). Up to this time, there is a trend of public sector services which is very

stiff in the routine of working environment. The government bureaucracy is often inefficient, slow and not innovative. Therefore, we need the ability to innovate through the encouragement of work ethic as IWE. The study conducted by *Kumar and Rose* (2008), which examines the relationship between Islamic work ethic and the innovation capability of public sector in Malaysia, concludes that there is a correlation between the index of Islamic work ethic and innovation capability. All indicators of innovation capability have significant correlation to Islamic work ethic. The successful implementation of the values of Islamic work ethic in Malaysia is because of the awareness of the importance of fairness and openness in the workplace. Baldwin el al., (1999), in his research found that the larger company is more innovative than the smaller company, because it has ease more on access to financing, can spread the fixed costs of innovation in greater sales volume, gain more benefits of *economies of scale* and complementarity between research and development with other activities within the company.

Baldwin (1995) in some of his research in Canada found that more intense innovation activity occurred in small and medium scale enterprises. The study conducted by Saks *et al.* (1996), which examines the relationship between the work ethic, work attitudes, interests for exit and *turnover* conclude that the belief in the work ethic has no direct effect on the interest for exit and employee *turnover* rates, but it has direct effect on job satisfaction and organizational commitment. Moreover, the study by Ali and Al Kazwmi (2007), which examines Islamic work ethic in Kuwait with 762 managers as a sample in which 50% of men and 50% women, 73% of the population of Kuwait and the rest expatriate concludes that the loyalty of women managers was higher than men. The Arabian Expatriate has a strong commitment to the work ethic and loyalty to Islam than the managers of Kuwait. The study conducted by Ali (1988) finds that Islamic work ethic positively and significantly correlates with the scale of individualism.

Another research on work ethic but with different *religious settings* was conducted by Yousef (2000), which examined the relationship between Islamic work ethic and attitude toward organizational changes mediated by organizational commitment. Yousef found that Islamic work ethic had a positive correlation to the commitment and attitude of organizational change. Islamic work ethics such as the principles of cooperation,

responsibility, social influence, and the dedication positively generate the commitment of the members of the organization.

The study by Yousef (2001) concludes that Islamic work ethic directly correlates with organizational commitment. Islamic work ethic directly correlates with job satisfaction. Islamic work ethic moderates the correlation between job satisfaction and organizational commitment. National culture does not moderate the correlation between Islamic work ethic and organizational commitment and job satisfaction.

The study conducted by Syafiq and Wahyuningsih (2009) which examines the relationship between religiosity and Islamic work ethic of the lecturer of Indonesia Islamic University of Yogyakarta concluded that there was a correlation between religiosity and Islamic work ethic. The Dimension of practice, worship, and appreciation had a great influence and could serve as a predictor for the variable of Islamic work ethic.

Research conducted by Heru (2007) concluded that there was a significant relationship between the influence of the Islamic leadership and work ethic and organizational culture on organizational commitment and employee performance.

Research conducted by Putti *et al.* (1989) about the correlation between work ethic and organizational commitment in Asia concluded that there were two major dimensions of work ethic, called intrinsic and extrinsic which were derived from factor analysis of Wollack *et. al* scale. The results of the analysis suggest that a more intrinsic work ethic has more strong correlation with organizational commitment than extrinsic work ethic.

Oliver (1990) also examines the effect of the work ethic of employees to organizational commitment of companies in the United Kingdom. It is concluded that the work ethic has significant effect on commitment. Employees with a strong ethos have relatively high commitment. Based on the results of the previous empirical research, it can be formulated a hypothesis as follows:

H7: Islamic work ethic affects the innovation capability

Method

The sample of this study is the employees of Semarang City Government group III on the working unit of the Agency and the Office as many as 367 people. There were 367 questionnaires distributed to the respondents, and only 202 were eligible for subsequent

analysis *(response rate,* 49%). Data are obtained by interview which is equipped with questionnaire as instrument. The questionnaire proposed consists of open and open-ended question, where respondents provide responses to questions given.

Religiosity, need for achievement, power, and affiliation are measured by four indicators that have been modified from Elci (2007). Islamic work ethic is measured by six indicators developed by Ali (1988), while Innovation Capability is measured by four indicators developed by Lee and Choi (2003) and Elci (2007). All indicators are measured by Likert Scale of 1-5, in which 1 is strongly disagree and 5 is strongly agree.

Findings

Based on the description of the respondents' characteristic, it is found that the education level of the respondents in majority is undergraduate and senior high school. Most of them are above 40 years of age and classified in the productive and mature age. Moreover, Most of respondents are male (65.84%) and female are 69 people (34.16%). The work period of the respondents in this study is between of 5 - 14 years.

The Value of AVE and *composite reliability* for the variable of religiosity is (0.64; 0.88), need for achievement is (0.50; 0.79), the need of power is (0.52; 0.77), the need for affiliation (0.54; 0.82), Islamic work ethic (0.51; 0.84) and innovation (0.71 and 0.88). The entire research variables are reliable and have composite variable value of more than 0.60. The average value of religiosity is in high category which means it is very important in everyday activities and influence decisions at work. Moreover, the average value of need for achievement and affiliation are in high category as well which means that employees in organizations tend to be achievement-oriented by still being part of the team work. Yet, need for power is in moderate category, which means employees in the work do not feel to have competition with colleagues. Islamic work ethic has an average value in high category, which means employees have a good dedication, creativity and collaboration in team work. The average value of innovation capability is in high category, meaning that employees are highly motivated to generate new ideas that benefit organization.

Table 1

The average value and standard deviation of Each Variable and Indicator

Indicator	Loading	T statistics	mean	SD
Religiosity			4.22	0.62
• The importance of religious values in daily activities	0.782	7.911	4.47	0.82
• Religious practice	0.808	8.957	4.19	0.69
• Religious beliefs influence decisions at work	0.764	6.469	4.02	0.81
• How important religious belief and its practice.	0.835	12.727	4.18	0.78
Need for Achievement			3.95	0.64
• Improving the performance of the past	0.554	2.381	4.05	0.96
• Enjoying a difficult challenge	0.747	5.729	3.83	0.81
• Achieving realistic goal	0.771	3.857	4.04	0.79
• Enjoying the satisfaction of a difficult task	0.708	3,058	3.95	0.92
Need for Power			3:13	0.67
• Enjoying the competition and win	0.614	1.870	2.93	1.11
• Enjoying responsibility	0.839	2.974	4.21	0.81
• Working to get a lot of control	0.703	2.245	2.41	1.07
			2.99	1.00
Need for affiliation			4.20	0.63
• Desire to be loved by others	0.547	2.662	4.11	0.84
• Building strong relationships	0.845	9.722	4.41	0.76
• Enjoying being part of a group	0.641	3.261	3.97	0.97
• Enjoying working together with others	0.856	15.047	4.30	0.88
Islamic work ethic			4.00	0.51
• Dedication	0.635	2.875	4.27	0.66
• Work well	0.808	7.298	4.39	0.76
• Work creativity	0.738	3.779	4.09	0.79
• Work value	0.549	1.930	3.96	0.89
• Cooperation	0.813	9.334	4.43	0.76
Innovation Capability			3.89	0.54
• Organization generates newer and more useful idea (product / service)	0,880	7.614	4.14	0.77
• To generate newer and more useful ideas is an important activity for organization	0.763	3.319	4.24	0.79
• Organizations actively generate new and useful idea (product / service)	0.878	5.427	4.15	0.76
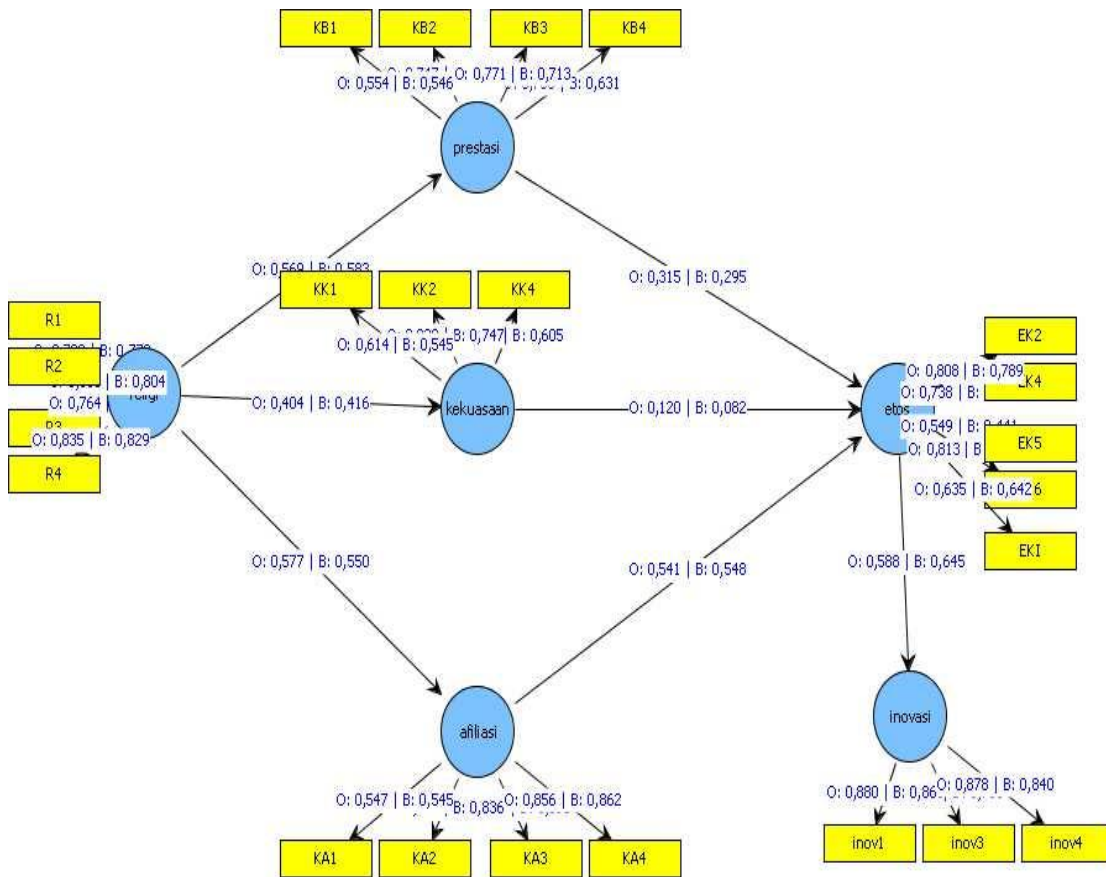
Figure 1

Path Analysis

Based on the test of *Partial Least Square* (PLS), the results support H1, H2 and H3. Clearly, religiosity has significant and positive effect on the need for achievement (t = 3.619), need for power (t = 1.996) and need for affiliation (t = 3.413). Need for achievement (t = 1.992) and need for affiliation (t = 4.641) have significant and positive effect on Islamic work ethic. Therefore, it supports H4 and H6. However, the need for power does not affect Islamic work ethic, so H5 is not supported. Islamic work ethic (t = 5.036) has significant and positive impact on the innovation capability, thus, H7 is supported.

Table 2

HYPOTHESES TEST RESULTS

Hypotheses	Effect among variables	coefficient Estimate	T Statistics	Sig
1	Religiosity> Need for Achievement	0.569	3.619	Significant
2	Religiosity> Need for Power	0.404	1.996	Significant
3	Religiosity> Need for Affiliation	0.577	3.413	Significant
4	Need for Achievement > Islamic Work Ethics	0.315	1.992	Significant
5	Need for Power> Islamic Work Ethics	0.120	0.829	not Significant
6	Need for Affiliation> Islamic Work Ethics	0.541	4.614	Significant
7	Islamic work ethic> Innovation Capability	0.588	5.036	Significant

T table (0.05, 201) = 1.6711

Discussion, Conclusions, Recommendation

The religious value has significant effect on the need for achievement, it means the higher the values of religiosity applied by employees in the organization is, the higher the fulfillment of achievement will be. This finding supports the studies conducted by McCleland, 1961; Simmons, 2005; Weaver & Agle, 2002, which conclude that the values of religiosity has positive effect on the work attitude and behavior. However, some studies have also found the opposite result, that the value of religiosity affects work attitude. The finding of this study also supports the study by Chusmir and Koberg (1988) which states that there is a positive and significant correlation between religious belief and the need for achievement of managerial employees. The finding of this study rejects the findings of Elci (2007) which states that there is a positive correlation between religiosity and the need for achievement; and the findings of Ray (1982), which states that there is no difference in the level of achievement and motivation power between *Protestant* and *Roman Catholic.* The

religious value has significant and positive effect on the the need for power and the result is in contrast with the findings of Elci (2007) which states that religiosity has a negative correlation with the needs of power. There is a negative correlation between religious beliefs with the need for power for non-managerial employees. Furham (1984) stated that there is no religious affiliation which has a high need for power between the Protestant, Roman Catholic or religious affiliation of the east. There is no negative correlation between religiosity and the need for affiliation; however, it has a negative correlation with the needs of power.

Religiosity is how much knowledge, how sturdy confidence, how the implementation of worship and rules, and how deep the appreciation of religion. Based on this research, religious belief and efforts to put it into practice in the work is very high, it is supported by the belief that work is also worship; therefore, it is compelled to always be implemented in the work. Consequently, to work based on the religious values will be easy to meet the need for achievement, power and affiliation. The higher the employees in the organization have a high religious belief and able to implement in any work done, it will encourage employees to achieve the objectives realistically, enjoy the responsibilities given by the boss and enjoy working together with colleagues or superiors.

Need for achievement has significant effect on Islamic work ethic, meaning that the higher the level of need for achievement is, it will improve Islamic work ethic. The findings of this study support the results of study conducted by Elci (2007) that concludes that the need for achievement has a positive effect on the hard work of employees. These results are also consistent with research by Miller, Woehler & Hudspeth (2002), which states that the work ethic is associated with motivation achievement. The results also show that the need for achievement has a positive and significant effect on women than men. The more a person is enjoying the difficult challenges and achieves realistic goals; it will encourage him to work as good as possible and always try to do a good cooperation with others.

The need for power does not significantly affect Islamic work ethics; this is contrary to the findings of Elci (2007). The more control given by the employer to the

employee in doing the work will make the employee not enjoy the responsibilities given to the them, not encourage employees to work well and have a good cooperation with others.

The need for affiliation has significant effect on Islamic work ethic, which means that the fulfillment of the needs for affiliation of the employee will enhance Islamic work ethic. This finding is contrary to the findings by Elci (2007), which states the need for affiliation does not have a negative effect on hard work. Employees who work constantly build strong relationships with colleagues and enjoy working together with peers or superiors will encourage employees to work at best level and always try to do a good cooperation with others.

Islamic work ethic has significant effect on innovation capability, meaning that the higher the Islamic work ethic of an employee is, the higher and the innovation capability of the employees will be. The findings of this study support the findings of Kumar & Rose (2008) which states that Islamic work ethic affects innovation capability. The findings of this study also support the study by Duchon and Plowman (2005) on the impact of spirituality toward the performance of employees working in hospitals which concludes that the application of spiritual values in the workplace correlates with the performance improvement of the employees. According to Sinamo (2005), the work ethic is a grace and trust; work is a call, actualization, worship, art, honor, and service. Islamic work ethic (Ali 1987) looks the dedication of the work as a *virtue*. A maximum effort must be done by individual to do work because it is the obligation of an individual who is capable of. Islamic work ethic emphasizes creative work as a source of happiness and achievement *(accomplishment)*. The hard work is seen as a *virtue* and whoever works hard will succeed in life and vice versa (Ali, 1987). The finding supports the research conducted by Yousef (2000) which concludes that Islamic work ethic has a positive correlation with the commitment and attitude to organizational change. Islamic work ethics such as the principles of cooperation, responsibility, social influence, and dedication positively generate the commitment of the members of the organization. The finding of this study also supports the research conducted Yousef (2001) which concludes that Islamic work ethic is directly related to organizational commitment. Islamic work ethic is directly related to job satisfaction. Islamic work ethic moderates the correlation between job satisfaction and

organizational commitment. National culture does not moderate the correlation of Islamic work ethic, organizational commitment and job satisfaction. Furthermore, the finding of this study also supports the research conducted by Putti *et al.* (1989), which suggests that the intrinsic work ethic has a stronger correlation with organizational commitment than the extrinsic work ethic. The study conducted by Oliver (1990) concludes that there is a significant effect of the work ethic on commitment. Employees who have a strong ethic relatively have high commitment. The findings of the study also provide some support to previous studies. The study conducted Saks *et al.* (1996) concludes that the belief in the work ethic has indirect effect on the interest to exit and employee *turnover* rates, yet it has direct effect on job satisfaction and organizational commitment. The study conducted by Ali and Al Kazwmi (2007) concludes that the loyalty of female managers is higher than male. The Arabian Expatriates have a strong commitment to Islamic work ethic and loyalty than the managers of Kuwait. The study conducted by Syafiq and Wahyuningsih (2009) shows that there is a correlation between religiosity and Islamic work ethic. The dimensions of practice, worship, and appreciation have a great effect and can serve as a predictor for the variable of Islamic work ethic.

Based on the findings of the study, it is indicated that religiosity is very important in improving the *outcomes* of the organization, in particular innovation capability. The higher the person's level of religiosity is, the higher the motivation in the work on the need for achievement, power and affiliation. The religious value is also contained in the Islamic work ethic concept developed Ali (1987). If an employee has a high need for achievement and affiliation, it will further enhance Islamic work ethic in the form of dedication to work, creativity, values and cooperation. The result of the dedication and creativity in Islamic work ethic will encourage increasing innovation capability within the organization.

The importance of religious values in increasing employee motivation, work ethic and *outcomes of* organizations require more attention of researchers and practitioners in the organization. The managerial Implication of this study is that organizations in both public and non-public need to maintain and intensify the understanding of spiritual values and implement it on every aspect in the organization management for the operational employees through intensifying spiritual activity so that employees increasingly internalize these

values and practice it in the works. The limitation in this study is not choosing organization that has been undertaking internalization activities of religious and spiritual value, so that the results of this research can't more depth. Agenda for future research is to expand the impact of religiosity on the values of human resources variables such as leadership, culture, and the satisfaction of the religious aspect.

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