

Durrani, Faisal; ur Rehman, Kashif

**Article**

## Mediating role of organizational justice in relationship between Islamic work ethics and employee turnover intention

Pakistan Journal of Commerce and Social Sciences (PJCSS)

**Provided in Cooperation with:**

Johar Education Society, Pakistan (JESPK)

*Suggested Citation:* Durrani, Faisal; ur Rehman, Kashif (2017) : Mediating role of organizational justice in relationship between Islamic work ethics and employee turnover intention, Pakistan Journal of Commerce and Social Sciences (PJCSS), ISSN 2309-8619, Johar Education Society, Pakistan (JESPK), Lahore, Vol. 11, Iss. 3, pp. 1050-1068

This Version is available at:

<https://hdl.handle.net/10419/188328>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



<https://creativecommons.org/licenses/by-nc/4.0/>

# **Mediating Role of Organizational Justice in Relationship between Islamic Work Ethics and Employee Turnover Intention**

Faisal Durrani  
National University of Modern Languages (NUML), Pakistan  
Email: Faisidurrani92@yahoo.com

Kashif-ur-Rehman  
Iqra University, Islamabad, Pakistan  
Email: drkashif@iqraisb.edu.pk

## **Abstract**

The prime concern of this study is to probe the relationship between Islamic work ethics (IWE) and employee turnover intention (TI) with the mediation of organizational justice (OJ). Studying this relationship is significantly new in the corporate sector of Pakistan. A sample of 550 employees from the corporate sector of Pakistan was carried out. The results accumulated from the study indicated that Islamic work ethics can play a vital role in the development and progress of organizations as a remedy for modern organizational, social and cultural issues in the corporate sector of Pakistan. A questionnaire containing 40 items was adopted. Middle and senior management staff of 32 corporate sector organizations from 10 cities of Pakistan are taken as participants. The results showed that the Islamic work ethics and turnover intention are negatively associated. The mediating effect of overall organizational justice has shown positive mediation between Islamic work ethics and turnover intention. The study concluded that the idea of IWE works as a remedy for the growing ethical crisis of corporate sector organizations of Pakistan which should be infused in organizational culture for sustainable organizational performance and growth.

**Keywords:** Islamic work ethics, organizational justice, turnover intention, organizational distributive justice, organizational procedural justice, organizational interactional justice.

## **1. Introduction**

Corporate sector is emerging very fast in Pakistan and facing different problems of ethical nature. Damaging effect of ethical problems provides a gap for the researchers (bin Salahudin et al. 2016). Management of ethical problems has become a challenge for the organizations in the shape of financial, moral, social and behavioral misconduct, resulting in high turnover in organizations (Abbasi, 2008). The employee turnover is a big concern for the organization (Schwepker, 2001).

Many working bodies have articulated the situation by finding the facts and publishing them in their reports as National Accountability Bureau (NAB, 2005) describes about

ethical crisis and corruption that “the abuse of entrusted power for private benefit” is a major reason behind the corruption which leads to the failure to design and shape an ethical business conducts for the public, private and corporate sector organizations. According to the annual report of NAB (2014), total complaints received were 18,818 in the year 2014, which increased to 29,996 in 2015 (NAB, 2015). Most of the laws are found deficient to comprehend gray areas of a problem in totality (Weiss, 2003).

All systems dealing with ethical issues covers a clear emphasis on invoking goodness to the conduct and avoiding bad conduct (Mohammad & Quoquab, 2016). Islamic work ethics have been discussed in several researches (Rokhman & Hassan, 2012; Yeboah-Assiamah, 2014; Mohammad et al., 2015) and western researchers are focusing on this paradigm excessively.

In the field of management sciences, Islamic administration system is an expanding pasture (Armstrong, 2000), and by adopting ethical framework organizations can improve their performance and work more effectively (Abdi et al., 2014). The employee turnover is not appreciated in the Islamic work ethics as it creates negativity in the organization. Employers and employees need to render practices which would benefit each other and the turnover rate should be minimal in the organization (Rice, 2006; Ali & Al-Kazemi, 2007). The base line of Islamic work ethics remains following the teachings of Allah (SWT) and actions of Holy Prophet Muhammad (PBUH) throughout his life (McGee, 2012). The ultimate source of guidance is the Holy Quran (Ashtankar, 2015) and Sahih Hadith (Beekun, 1999). Allah says: “You are the best of the nations raised up for (the benefit of) men; you enjoin what is right and preclude the erroneous and believe in God” (Al-Qur’an 3:110). Islamic work ethics encapsulates the professional as well as personal lives of an individual entity. Therefore, in the Quran, Allah (SWT) says; “let there arise out of you a band of people inviting to all that is good, enjoining what is good, and prohibiting what is wrong” (Al-Qur’an 3:104).

Organizational contexts have always been using fairness and justice in their organizations (Miller et al., 2012). Organizational justice is an important facet of the international human resource practices. Employees tend to leave organizations due to the absence of justice in the firms. Injustice element in the organizations can be experienced at different levels and hierarchies. (Ambrose & Schminke, 2009). It is the matter of common observation that people learn to switch jobs after the acknowledgment of unfairness and prejudice in the organization (Cropanzano, 2012).

Ground for argumentation about the variables Islamic work ethics and turnover intention along with organizational justice pertaining the wide range of indicators differing and at times contradicting is discussed. Organizational justice is also investigated against Islamic work ethics (Rokhman, 2010; Ali & Al-Owainhan, 2008; Rokhman & Hassan, 2012) and some researchers provide investigative opinions about Islamic work ethics and turnover intention (Jalil et al., 2010; Sadozai et al., 2013), and between organizational justice and turnover intention (Choi, 2011; Aghaei et al., 2012; Rai, 2013). This study focuses among the relationship between Islamic work ethics, organizational justice and turnover intention along with the mediating effect of organizational justice with Islamic work ethics and turnover intention in the corporate sector of Pakistan.

## 2. Literature Review

### 2.1 Islamic Work Ethics

On the individual level, moral development of an individual is taken into consideration. The attitudes and behaviors of individuals are manipulated by the ethical environment present around him. The prevailing circumstances are evaluated as per the individual's thinking and the customary actions raging in the environment (Okpara, 2004). The Holy Qur'an says: "Allah orders justice and right conduct and passing to relatives and forbids immorality and bad conduct and oppression. He admonishes you that perhaps you will be reminded" (Al-Qur'an 16:90). On the organizational level, the practices, environment, climate and principles, codes, climate and policies of the firm reform the ethics paradigm in an individual. The perception and acuity of ethics are hence greatly caused by the organizational ethical environment (Singhapakdi et al., 1999).

Ali believes that, "Islamic work ethics is an orientation that shapes and determines the engagement and participation of the worshippers in the workplace" (Ali & Al-Owaihian, 2008). Islamic work ethics encompass social linkages between the groups and the organizations in the light of the Islamic doctrine of work environment (Rahman et al., 2006). Kheder (2001) believes that Muslim communities where the idea of Islamic work ethics is observed and practiced, it is observed that public interest is always given more importance and priority against self-interest. The teachings of Islam benefits the fellow beings and the society by giving moral principles under the guidelines of Allah (SWT) and Prophet (PBUH) (Murtaza et al., 2016).

Islamic work ethics is rooted in the principles signified in the Holy Quran and Hadith of the Holy Prophet (PBUH). Yousef (2001) highlighted six dimensions of Islamic work ethics; hard work, justice and honesty, working as an obligation, contentment and pleasure, fair distribution of wealth, technology & skill up gradation are of primary importance (Beekun & Badawi, 1999). The hard work constraint is attached to both employers and employees. It is also obligatory for employees in the sense as there are certain tasks that cannot be finished effortlessly; competency and skills are required (Abbasi & Abbasi, 2008). Employees must grasp technological measures wholeheartedly and acknowledge this favor from the organization, and must put great effort in the learning phase, as this would eventually help them in their respective job roles (Uygur, 2009; Kumar & Rose, 2010). Their every step should reflect their task completion as an obligation and must spend adequate time in learning and teaching phase (Arslan, 2001; Graafland et al., 2006). The execution of tasks without allegiance does not turn out to be promising thus performance with loyalty is the key to success (Turkdogan, 2002; Darwish, 2000). Islamic work ethics highlights fair distribution of wealth, as it is indispensable for the employees, they consider management reward by watching their job roles in the organization (Khan, 2000). In case of accomplishing enormous profits, bonuses should be given to the employees (Williams & Zinkin, 2010). The employees behaviors and attitudes overall count on justice, reaching the firm on the job, completing tasks on time, assisting colleagues in the organization, responding to the management on time, being fair with the organizational systems and contributing fruitfully to the organization (Metcalfe & Rees, 2010).

### 2.2 Islamic Work Ethics and Turnover Intention

Turnover intention and intent to quit are synonymous to turnover behavior which is used as a focal point for the review of literature by many researchers like Chikwe (2009), Lim (2008), Taormina and Kuok (2009), and West (2007). Whereas, turnover intention can significantly involve the dedication level of other employees (Tarmizi, 2008). Galletta et al. (2011) set up that encountering the chance of duty and flexibility to build up possess work exercises, can facilitate the feeling of recognizable proof and adherence to workplace that thusly can decrease the turnover goal.

The effects of turnover classification are positive relationships between them. Voluntary, functional and avoidable turnover are interrelated with each other. Simultaneously dysfunctional, non-voluntary and unavoidable turnover has association between them. The voluntary turnover advocates quitting of non-productive employees willingly and there is no involvement of employer in the decision making (Batt, 2001; Verma, 2005; Zimmerman & Darnold, 2009). The employee's turnover intention has been reported to be negative commotion in the organizations. Islamic work ethics discourages replacing employees or competent work force leaving organization rather it focuses on retention of employees (Rice, 2006; Ali & Al-Kazemi, 2007). Sadozai et al. (2013) shared their findings from the organizations working in the public sector of Pakistan that the significant negative correlation is observed between Islamic work ethics and turnover intention. Based on the literature review:

- **H<sub>1</sub>:** It is hypothesized that a negative relationship exists between Islamic work ethics and turnover intention.

### 2.3 Islamic Work Ethics and Organizational Justice

Employee subjectivism is perceived to be resultant as fair or unjust, while making decisions about allocation of resources, decision making and social interaction in organizations (Hassard, 2012; Caron et al., 2013). For a long time corporate management considered organizational justice as a strong tool of managing organizations and operational activities (Caron et al., 2013; Elma, 2013). Prior researches have indicated that the conceptions of organizational justice were laid in the theory illustrated by Adams (1963), commonly known as the Equity Theory (Greenberg, 1987; Scandura, 1997; Colquitt, 2001). The expansion of the concept of organizational justice is rooted in social exchange theory. The input segmentation focuses on the effect of the work, while output highlights rewards for work (Mowday, 1987). Rokhman (2010) argued that the Islamic work ethics track is also the same as organizational justice. Allah says: "Indeed, Allah loves those who are fair (and just)" (Al-Qur'an 49:9). The propagation of justice procedures in Islamic work ethics is moderately apparent. Ali and Al-Owaihian (2008) conversely epitomized that there are further sub-classifications of Islamic work ethics and the inauguration of justice practices in the organization is one of it. Making a perception that Islamic work ethics has only to deal with the justice activities in the organization is not a satisfactory opinion. Based on the literature, it is hypothesized:

- **H<sub>2</sub>:** It is hypothesized that a positive relationship exists among Islamic work ethics and organizational justice.

#### *2.4 Organizational Justice and Turnover Intention*

Discussion about organizational justice as a measure to establish an atmosphere of intelligibility and transparency in the firm is important. Employees' turnover intention undoubtedly effects organizational justice exceedingly. The organizations where organizational justice would prevail, turnover intention would be quite low (Zimmerman & Darnold, 2009). Ribeiro and Semedo (2014), Aghaei et al. (2012) and, Chang and Dubinsky (2005) also concluded significantly negative relationship between Turnover intention and organizational justice. Hence it is hypothesized:

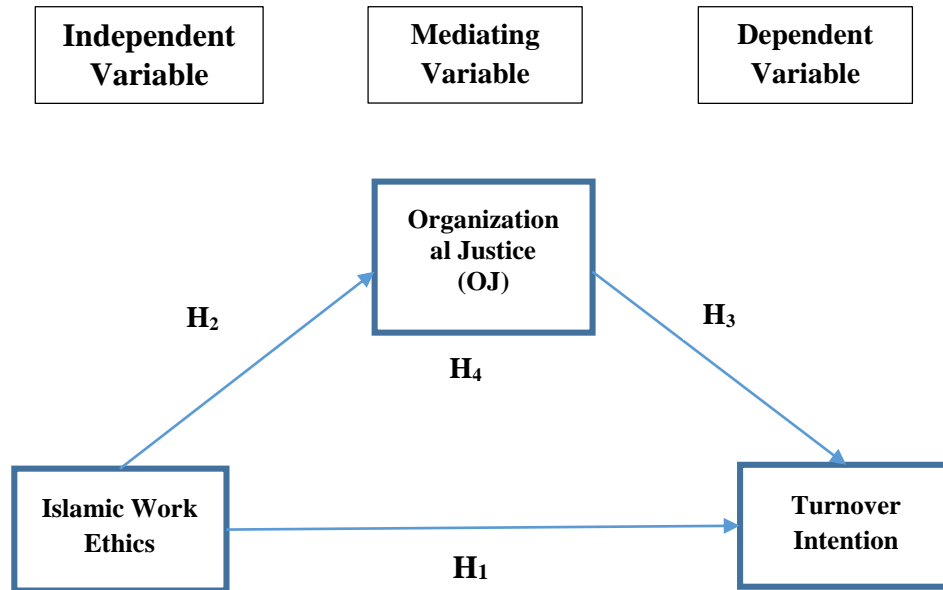
- **H<sub>3</sub>:** It is hypothesized that there is a negative relationship between organizational justice and turnover intention.

#### *2.5 Organizational Justice, Islamic Work Ethics and Turnover Intention*

The check for mediation of the variable suggested by Baron and Kenny (1986) consists of three tests including direct and indirect relationships of the variables. The result give a clear distinction to the conceptualization of ethics and organizational justice. Just and fair distribution of economic and land resources to the right person for appropriate decision making are considered as significant facets of justice in Islam. The proper positioning and allocation of authority is associated with justice in Islam (Schminke et al., 1997; Muhammad, 1993; Beekun & Badawi, 1999). The inculcation of justice and Islamic work ethics leads to negative relationship with turnover intention (Rokhman, 2010). Distributive, interactional and procedural justice adds the value to the overall impact of organizational justice. Islamic work ethics show a positive impact on all these dimensions. Moreover, some researchers also found positive effect of work ethic on organizational justice. The results are supported by previous studies (Schminke et al., 1997; Trevino & Weaver, 2001). The relationship of all three dimensions of organizational justice is found negative while checking against turnover intentions in the studies pertaining literature about sales force. (Alexander & Ruderman, 1987; Jespen & Rodwell, 2007; Choi, 2011).

The suggestion of Koh and Boo (2004) about organizational justice theory explained the relationship between job satisfaction, organizational commitment and turnover intention by endorsing the perception of organizational justice and its effect on job attitudes of the employees. The bend and likeness of the employees is considerably noted in the organizations where organizational justice is practiced. Decreasing and demotivating attitude against turnover intention is also noticed (Koh & Boo, 2004). The mediation of organizational justice between managerial practices and turnover intention is demonstrated by Zhang and Agarwal (2009), Lind and Tyler (1988) and Thau et al. (2007). Full mediation of organizational justice between HR practices and turnover intention is reported by Ribeiro and Semedo (2014). Hence it is hypothesized:

- **H<sub>4</sub>:** It is hypothesized that organizational justice will mediate a positive relationship between Islamic work ethics and turnover intention.



**Figure 1: Framework of the Study**

### 3. Research Methodology

#### 3.1 Sample and Procedure

This research contains the population of the corporate sector of Pakistan, as the explicit impact of variables needed to be examined on the organizations where an international code of human resource principles is being practiced. Frankfort-Nachmias and Nachmias (2007) explained that the cluster of people for the execution of research is the population. Different sectors were dissected in the study, including telecom and banking industry. Specifically, those organizations were taken into consideration where corporate practices are making their roar. 32 organizations in 10 cities were scrutinized for the data collection phase. The employees of different hierarchical positions were inquired about their views and perceptions through questionnaires.

The research work is conducted and the questionnaires were evolved in different cities of Pakistan that include, Islamabad, Rawalpindi, Lahore, Peshawar, Jhelum, Sialkot, Karachi, Gujranwala, Faisalabad and Multan. Random sampling was done from which 550 employees from the corporate sector responded and their response was taken into consideration. Validity and reliability measures of the questionnaires were checked for the authentication of the respective research path.

#### 3.2 Measurement of the Variables

Islamic work ethics is serving as an independent variable of the study. Whereas, organizational justice is taken as mediating variable against turnover intention which is the dependent variable of the study. The total numbers of the items of Islamic work ethics were 17, and they were taken from the research work carried out by Arslan (2001), Ali (1988) and Yousef (2000). Organizational justice instrument, containing 20 items, was taken from the study conducted by Niehoff and Moorman (1993). The dependent variable of this study is turnover intention. Yousef (2000) study provides the instrument with 3

items assessing turnover intention. Islamic work ethics and turnover intention questionnaire containing 5 point Likert scale ranging from 1 for strongly agree to 5 for strongly disagree whereas organizational justice questionnaire is based on a 7 point Likert scale ranging from 1 for strongly agree to 7 for strongly disagree was used for the measurement of Independent variable which is Islamic work ethics, mediating variable organizational justice, and dependent variable turnover intention.

3.3 Construct Validity

Construct validity through confirmatory factor analysis (CFA) which determines whether the items are assessing the dimensions of the variable (Coldwell & Herbst, 2004). Construct validity covers the content validity, convergent validity, nomological validity and discriminant validity.

**Table 1: Convergent Validity: Average Variance Extracted (AVE) and Construct Reliability (CR)**

Name of Variable/Construct	AVE Score	CR Values
TIS	0.794	0.920
ODJ	0.576	0.871
OPJ	0.485	0.845
OIJ	0.327	0.850
IWE	0.398	0.922

Note: AVE= Average Variance Extracted, CR= Construct Reliability; TIS = Turnover Intentions, ODJ = Organizational Distributive Justice, OPJ= Organizational Procedural Justice, OIJ= Organizational Interactional justice, IWE= Islamic work ethics.

Table 1 explains the convergent validity that contains items having only factor loadings 0.4 or larger after excluding less loaded items. Hair et al. (2006) have suggested investigating the scores of standardized factor loading, constructing reliabilities and average variance extracted to assure the convergent validity. One of CFA measures is Convergent validity under Construct Validity which includes Construct Reliability (CR), Factor Loading and Average Variance Extracted (AVE). Cua et al. (2001) said that the factor having the load more than 0.4 is considered significant for convergent validity. The cut off values exceeding 0.50 in respect of both construct reliabilities and AVE are considered significant to make sure the convergent validity (Fornell & Larker, 1981; Bagozzi et al., 1991; Hair et al., 2006). The threshold value 0.4 for AVE is also good enough (Diamantopoulos & Siguaw, 2000).

The table 1 contains the score of AVE and CR for the dependent variable i.e. turnover intentions (TIS) that is 0.794 and 0.920 respectively. The mediator of proposed model i.e. organizational justice has three facets; firstly, organizational distributive justice with the score of AVE is 0.576 and CR is 0.871; secondly, organizational procedural justice with



the score of AVE is 0.485 and CR is 0.845; thirdly, organizational interactional justice with the score of AVE is 0.327 and CR is 0.850. Whereas Islamic work ethics measures the turnover intentions of the corporate sector of Pakistan, which encompasses with the score of AVE is 0.398 and CR is 0.922.

**Table 2: Refined Instrument**

Name of the Variable	Cronbach's Alpha	Number of items
Islamic Work Ethics	0.92	15
Organizational Justice	0.86	17
Turnover Intentions	0.92	3

The Cronbach's alpha's value against every variable as shown in table 2, represents the reliability of every element of the questionnaire. The turnover intention is a dependent variable having three items with the figure of reliability of 0.92. The independent variable is Islamic work ethics that include fifteen items after excluding two items indicate the reliability with Cronbach's Alpha's value as 0.92 respectively. Twenty items with three dimensions of the mediator organizational justice i.e. interactional justice, procedural justice and distributive justice, is having Cronbach alpha 0.86 after excluding three items of organizational interactional justice.

#### **4. Results and Discussion**

##### *4.1 Respondent Profile*

In the first phase, it was found that most of the respondents were male (72%) and the female (28%) respondents were not pretty much. The second phase of the descriptive statistics, ages of the respondents were calculated and analyzed. Middle aged respondents (age bracket 33-39) were found in the majority (22.7%). Usually this is the phase when individuals have about to reach considerable amount of time in the industry.

In the next stage of descriptive statistics, region wise scrutiny of the data was done. The regional dissection provided powerful results and indicated the constituencies where most of the data was gathered. Karachi (24.4%) and Islamabad (16.5%) dominated the list as the number of frequencies was relatively higher than the other cities. Followed by Lahore (15.6%), Rawalpindi (14.2%), Faisalabad (5.6%), Peshawar and Gujranwala (4.9% each), Multan and Jhelum (4.7% each) and Sialkot (4.4%). It signifies that majority of the population was of Islamabad, Karachi, Lahore and Rawalpindi.

In the fourth stage of demographic statistics, the unfolding of educational qualifications took place. The Master's Degree holders (47.3%) were found to be in the majority followed by the Bachelor's Degree holders' (28.2%). Lastly, respondents with other qualifications were 135 in total, summing up to be 24.5% of the overall population. The last part of the descriptive statistics section was on work experience. The people with 1-5 years (39.1%) of work experience led with the frequency of 215.

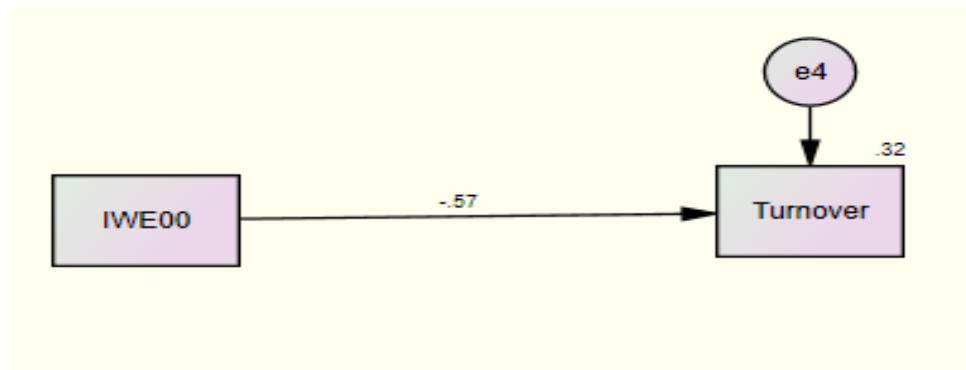
4.2 Path and Mediation Analysis

4.2.1 Testing of hypotheses based on regression weights

The paper provides deep insight by checking organizational justice as a mediator between Islamic work ethics and turnover intention. So to check the mediating effect (partial or full) Path and mediation analysis of the said variables is done. Hoyle and Smith (1994) purposed a criteria for the test of mediation which suggests the examination of the direct effect of IV on DV at first and indirect effects of IV and DV through mediating variable at last.

4.2.2 Direct Effects: IV →DV (Regression Coefficients)

AMOS is used to check the direct effect of Islamic work ethics on turnover intention without the mediation of organizational justice by running the half model (without mediator) shown in Figure 2.



**Figure 2: Structural Equation Model: Direct Effects without Mediation**

Standardized regression estimation for the acceptance or rejection of hypothesis is done in which exogenous variable is checked in direct effect on endogenous variable. The first requirement of checking the standardized regression estimates between IV and DV is covered and shown in Table 3.

**Table 3: SEM: Direct Effects without Mediation (IV with DV)**

Variables	Estimate	P-Value	Hypothesis Support
Islamic Work Ethics → TIS	-.567	.000*	H <sub>1</sub> is Accepted
Note: P ≤ 0.05			

Table 3 highlights and confirms the relationship between Islamic work ethics and turnover intentions which is noted to be negative and significant, this result is consistent with Ahmad (2011) and Sadozai et al. (2013) that employee’s turnover intention may be predicated by Islamic work ethics. As the table shows -0.57, p-value ≤ 0.05 standardized

regression weight. This implies that if the level of Islamic work ethics increases by one-unit among corporate employees of selected groups of business then the employees' turnover intentions will decrease by 0.567 units, which denotes the acceptance of the first ( $H_1$ ) hypothesis at 95% confidence level.

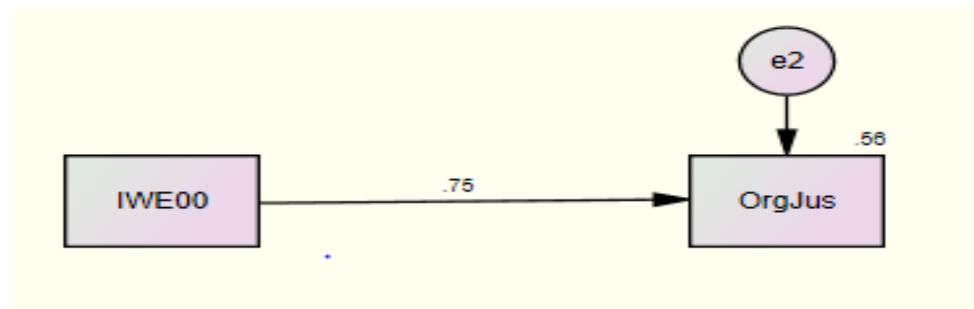
#### 4.2.3 Mediation Effects (Indirect Effects)

The second requirement of Hoyle and Smith (1994) after checking the direct relationship of IV on DV is fulfilled by checking the indirect effect of IV on DV with the mediating role of organizational justice. Baron and Kenny (1986) is given preference on Sobel's test as it is conservative due to its highly skewed sampling distribution and falsely presuming symmetry (Mackinnon et al., 1995). Furthermore, Baron and Kenny (1986) recommends four conditions of mediation in which the first stage provides an insight by checking the effect of the independent variable on Mediating variable as well as the impact of the mediating variable on Independent variable.

In addition to, there are four conditions which are required to accomplish for proving mediation between the relationship of proposed IV and DV (Baron & Kenny, 1986); speaks about partial and full mediation. According to them full mediation which is considered non-significant and partial mediation which is smaller significantly is checked by a mediating variable between independent and dependent variable. Direct relationship between IV and DV, IV and mediating variable (MV), and MV and DV are also checked.

#### 4.2.4 Structural Equation Model: Direct Effects of IV with MV and MV with DV

Figure 3 depicts the direct relationship of Islamic work ethics with the proposed mediator of this study which have proved positive relationship between Islamic work ethics and organizational justice which is significant too. Whereas, the figure 4 describes the negative and significant relationship between proposed MV and DV i.e. turnover intentions. These associations at significant levels actually validate the first two conditions of Baron and Kenny (1986).

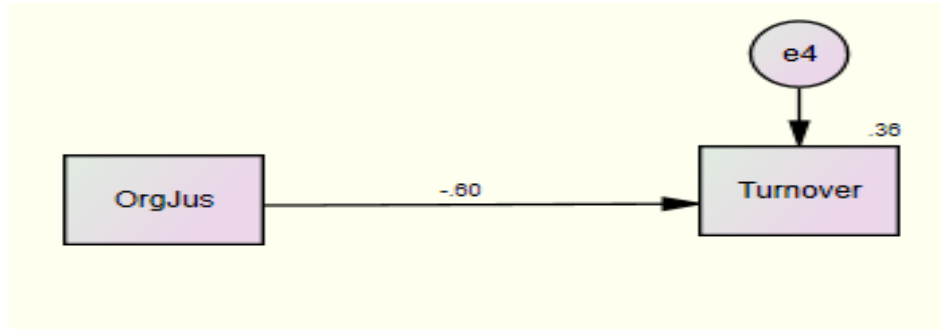


**Figure 3: Direct Effect of Islamic Work Ethics on Organizational Justice**

**Table 4: Regression Weights of Direct Effects of IV on MVs and MVs on DV**

Variables	Estimate	P-Value	Hypothesis Support
IWE → OJ	.751	.000*	H <sub>2</sub> is Accepted
OJ → TIS	-.598	.000*	H <sub>3</sub> is Accepted
Note: P ≤ 0.05			

The relationship of Islamic work ethics with the mediator organizational justice found positive and significant relationship as shown in Figure 3. The support of previous studies can also be seen as Lau and Wong (2009), discloses about the influence of ethical climate in the workplace while using distributive and procedural justice. The regression weights or beta values of Islamic work ethics with respect to organizational justice is 0.751, P-value ≤ 0.05 as shown in Table 4. The results elaborate that if a change under Regression weights is by one unit in Islamic work ethics in employees working in a corporate sector, then the positive and significant change would also be seen in organizational justice by 0.751 units and proved that the data is in favor of the hypothesis 2, so H<sub>2</sub> is accepted.



**Figure 4: Direct Effect of Organizational Justice on Turnover Intentions**

As observed that the negative and significant relation is present in organizational justice and turnover intention, the result is deduced that turnover intention will be reduced by improving the organizational justice in a working environment. Previous studies also provide a back up to this result as Nadiri and Tanova (2009) concluded that organizational justice has a negative relationship with turnover intention. Figure 4 and Table 4 shows the regression weight or beta value of organizational justice with regard to turnover intention is -.0598, P-value ≤ 0.05. Regression weight explains if a change is seen by one unit in organizational justice than the negative change would be seen in employees turnover intention by 0.598 units, so the H<sub>3</sub> is accepted.

4.3 Indirect Effect with Mediation

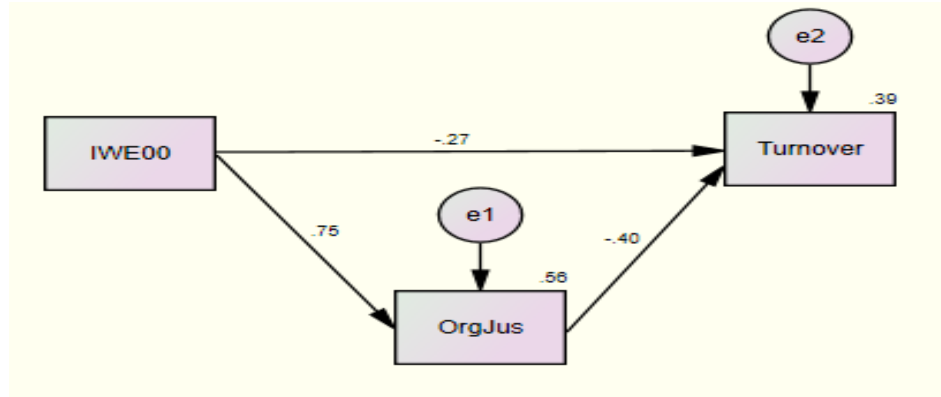


Figure 5: Indirect Effect with Organizational Justice

Table 5: Regression Weights of Indirect Effects

Variables	Estimate	P-Value
Islamic Work Ethics → TIS (In Presence of OJ)	-.270	.000*
Note: $P \leq 0.05$		

[IV and DV in presence of (OJ) Mediator]

As the turnover intention is negatively changed by 0.567 units due to a one unit change in Islamic work ethics in case of direct effect. Whereas, turnover intention of employees of the Pakistan corporate sector is reduced by 0.27 units with the mediating effect of organizational justice as shown in Figure 5 and Table 5.

4.3.1 SEM: Comparison of Direct and Indirect Effects

Table 6 depicts and revealed the results of structural equation modeling which are ultimately satisfying the fourth condition for proving the mediating effect of the observed variable between the studied IV and DV as recommended by Baron and Kenny (1986).

**Table 6: Comparison of Direct and Indirect Effects with respect to Organizational Justice as Mediator**

Variables	Direct Effects		Indirect Effects		Hypothesis Support
	Estimate	P-Value	Estimate	P-Value	
IWE → TIS (In Presence of OJ)	-.567	.000*	-.270	.000*	H <sub>4</sub> is Accepted
Note: P ≤ 0.05					

By analyzing the figure 5 one can find a clear support of Table 6 as it discloses that Islamic work ethics provides a negative effect on turnover intentions even after the inclusion of organizational justice as mediator. In addition, there is found partial mediation of organizational justice between Islamic work ethics and turnover intention, as the percentage change has been reduced by inclusion of said mediator. Previous studies support the findings, organizational justice is used as a mediator between Islamic work ethics and turnover intention in separate studies, according to Greenberg (1990) work ethics have a positive effect on organizational justice and both distributive and procedural justice provided a significant mediating role on turnover intentions (Lee, 2000). As the four conditions, i.e. i) IV must be related to DV, ii). The IV must be related to MV, iii) MV must be related to DV, iv) indirect beta values must be reduced, for the validity of the mediation effect of proposed mediators have been proved in this study as recommended by Baron and Kenny (1986), so the H<sub>4</sub> is accepted.

### 5. Conclusion

The value addition made by the study is a detailed and comprehensive study of the mediating role of organizational justice in relation to Islamic work ethics and turnover intention in the corporate sector of Pakistan which combines the previous studies testing and investigating the link between Islamic work ethics and turnover intention, and a few between organizational justice and turnover intention. The summary of the data collected and processed under regression analysis tells that organizational justice is mediating by enhancing the overall effect of Islamic work ethics on turnover intention. The relationship of turnover intention and Islamic work ethics is found negative. Deduced results of this research demonstrate that Pakistan's corporate sector should adopt an Islamic work ethics doctrine in order to achieve high goals and standards of organizational performance in the business world. Organizations must incorporate Islamic work ethics and organizational justice in the reward and punishment system which can help in reducing turnover intention for sustainable organizational growth. Organizational implications for the corporate sector organizations include the incorporation of Islamic work ethics in corporate management to improve the organizational performance to attain sustainability along with the increasing will and vigor to influence the managerial performance. Multifold study contributes to the investigations and the role of Islamic work ethics in reducing the trend of turnover

intention in the corporate sector of Pakistan. This study also unfolds the role of organizational justice in mediation with Islamic work ethics and turnover intention in the corporate sector of Pakistan.

### **6. Theoretical Contribution**

In comparison to other theories including teleological, deontological and virtual ethics which give emphasis on the end result, moral rights, moral character and outcome of any specific action (Ali et al. 2014; Iqbal & Mirakhor, 2017). Islamic work ethics focuses not only on action but the intention and organizational prosperity as well (Emerson, 1976). Equity theory also enhances the idea of organizational justice (Adams, 1965). Present study supports the importance of organizational justice too in achieving sustainable results by reducing turnover intention and also serves the purpose of examining the relationship between Islamic work ethics, organizational justice and turnover intention.

### **7. Limitations and Future Research Directions**

In addition to cost and time, there are certain limitations of this study in terms of Culture, organizations and sector are the major limitations of the study as the study is carried out in the corporate sector organizations of Pakistan that must be given consideration while making any generalized conclusion from the research work.

The future research can take several measures on the respective topic. Researchers can try to co-replicate this study in the public sector of Pakistan. Different environmental changes may cause organizational justice to effect organizational behaviour and turn over decisions. This area of study can be explored by other researchers in this field.

## **REFERENCES**

- Abbasi, A. S. (2008). *Role of Islamic Leadership in Value Based Corporate Management* [Doctoral thesis]. National University of Modern Languages, Islamabad, Pakistan.
- Abbasi, A. S., & Abbasi, S. H. (2008). Business ethics – shortfalls in approach, Conference Proceeds of First International Conference on Business & Technology, 8-13, *Iqra University, Islamabad*.
- Abdi, M. F., Nor, S. F. D. M., & Radzi, N. Z. M. (2014). The Impact of Islamic Work Ethics on Job Performance and Organizational Commitment. *Proceedings of 5th Asia-Pacific Business Research Conference, Kuala Lumpur, Malaysia*.
- Adams, J. S. (1963). Towards an understanding of inequity. *Journal of Abnormal Social Psychology, 67*(5), 422-436.
- Adams, J. S. (1965). *Inequity in Social Exchange*. New York: Academic.
- Aghaei, N., Moshiri, K., & Shahrbanian, S. (2012). Relationship between Organizational Justice and Intention to Leave in Employees of Sport and Youth Head Office of Tehran. *European Journal of Experimental Biology, 2*(5), 1564-1570.
- Ahmad, M. S. (2011). Work ethics: An Islamic prospective. *International Journal of Human Sciences, 8*(1), 850-859.
- Al-Qur'an. Surah Ali 'Imran [3:104, 3:110], Surah An-Nahl [16:90], Surah Al-Hujurat [49:9].
- Alexander, S., & Ruderman, M. (1987). The role of procedural and distributive justice in organization behavior. *Social Justice Research, 1*(2), 177-198.

## Organizational Justice, Islamic Work Ethics and Employee Turnover

- Ali, A. (1988). Scaling an Islamic work ethic. *The Journal of Social Psychology, 128*(5), 575-583.
- Ali, A. J., & Al-Kazemi, A. A. (2007). Islamic work ethic in Kuwait. *Cross Cultural Management: An International Journal, 14*(2), 93-104.
- Ali, A. J., & Al-Owaihyan, A. (2008). Islamic work ethic: a critical review. *Cross Cultural Management: An International Journal, 15*(1), 5-19.
- Ali, K. K., Ramly, Z., & Chai, L. T. (2014). *Business Ethics*. Oxford Fajar, Malaysia.
- Ambrose, M. L., & Schminke, M. (2009). The role of overall justice judgments in organizational justice research: A test of mediation. *Journal of Applied Psychology, 94*(2), 491-500.
- Armstrong, K. (2000). *Islam: A Short History*. USA: Random House.
- Arslan, M. (2001). The Work Ethic Values of Protestant British, Catholic Irish and Muslim Turkish Managers. *Journal of Business Ethics, 31*(4), 321-339.
- Ashtankar, O. M. (2015). Business Management from Islamic Perspectives. *International Journal of Applied Research, 1*(10), 809-812.
- Bagozzi, R. P., Yi, Y., & Phillips, L. W. (1991). Assessing Construct Validity in Organizational Research. *Administrative Science Quarterly, 36* (3), 421-58.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. *Journal of Personality and Social Psychology, 51*(6), 1173-1182.
- Batt, R. (2001). Explaining Wage Inequality in telecommunications Services: Customer Segmentation, Human Resource Practices, and Union Decline. *Industrial and Labor Relations Review, 54*(2), 425-449.
- Beekun, R. I. (1999). *Islamic Business Ethics*. Herndon, VA: International Institute of Islamic Thought.
- Beekun, R. I., & Badawi, J. (1999). *Leadership: an Islamic Perspective*, Herndon, VA: Amana Publications.
- Beekun, R. I., & Badawi, J. (1999). *The leadership process in Islam*, The International Institute of Islamic Thought.
- bin Salahudin, S. N., binti Baharuddina, S. S., Abdullah, M. S., & Osmanc, A. (2016). The Effect of Islamic Work Ethics on Organizational Commitment. *Procedia Economics and Finance, 35*, 582 – 590.
- Caron, I., Ben Ayed, A. K., & Vandenberghe, C. (2013). Collective incentive plans, organizational justice and commitment. *Relations Industrials-Industrial Relations, 68*, 95-119.
- Chang, C., & Dubinsky, A. J. (2005). Organizational Justice in Sales Force: A Literature Review with Propositions. *Journal of Business to Business Marketing, 12*(1), 35-71.
- Chikwe, A.C. (2009). The impact of employee turnover: The case of leisure, tourism and hospitality industry. *Consortium Journal of Hospitality & Tourism, 14*(1), 43-56.
- Choi, S. (2011). Organizational Justice and Employee Work Attitude: The Federal Case. *The American Review of Public Administration, 41*(2), 185-204.
- Coldwell, D., & Herbst, F. (2004). *Business research*. Cape Town: Juta and Co Ltd.



- Colquitt, J. A. (2001). On the dimensionality of organizational justice: a construct validation of a measure. *Journal of Applied Psychology, 86*(3), 386–400.
- Cropanzano, R. (2012). *Justice in the workplace: From theory to practice* (Vol. 2). Psychology Press.
- Cua, K., McKone, K., & Schroeder, R. G. (2001). Relationships between implementation of TQM, JIT, and TPM and manufacturing performance. *Journal of Operations Management, 19*(6), 675-694.
- Darwish, A. Y. (2000). The Islamic work ethic as a mediator of the relationship between locus of control, role conflict and role ambiguity: A study in an Islamic country setting. *Journal of Managerial Psychology, 15*, 283-302.
- Diamantopoulos, A., & Siguaw, J. A. (2000). *Introducing LISREL*. London: Sage Publications.
- Elma, C. (2013). The predictive value of teachers' perception of organizational justice on job satisfaction. *Egitim Arastirmalari - Eurasian Journal of Educational Research, 13*, 157–75.
- Emerson, R. M. (1976). Social Exchange Theory. *Annual Review of Sociology, 2*, 335 – 362.
- Fornell, C., & Larcker, D. F. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research, 18*, 39-50.
- Frankfort-Nachmias, C., & Nachmias, D. (2007). *Research methods in the social sciences*. Macmillan Publishing.
- Galletta, M., Portoghese, I., & Battistelli, A. (2011). Intrinsic Motivation, Job Autonomy and Turnover Intention in the Italian Healthcare: The Mediating Role of Affective Commitment. *Journal of Management Research, 3*(2), 1-19.
- Graafland, J., Mezereeuw, C., & Yahia, A. (2006). Islam and Socially Responsible Business Conduct: An Empirical Study of Dutch Entrepreneurs. *Business Ethics (Oxford, England), 15*(4), 390–397.
- Greenberg, J. (1987). A Taxonomy of Organizational Justice Theories. *Academy of Management Review, 12*(1), 9-22.
- Greenberg, J. (1990). Organizational justice: Yesterday, today, and tomorrow. *Journal of Management, 16*, 399–432.
- Hair, J., Black, W., Babin, B., Anderson, R., & Tatham, R. (2006). *Multivariate data analysis* (6th ed.). Uppersaddle River, N.J.: Pearson Prentice Hall.
- Hassard J. S. (2012). Rethinking the Hawthorne studies. The western electric research in its social, political and historical context. *Human Relations, 65*, 1431–61.
- Hoyle, R. H., & Smith, G. T. (1994). Formulating clinical research hypotheses as structural equation models: A conceptual overview. *Journal of Consulting and Clinical Psychology, 62*, 429-440.
- Iqbal, Z., & Mirakhor, A. (2017). *Ethical Dimensions of Islamic Finance: Theory & Practice*. Berlin: Springer.
- Jalil, A., Azam, F. & Rahman, M. K. (2010). Implementation mechanism of ethics in business organizations. *International Business Research, 3*(4), 145-151.
- Jespen, D. M., & Rodwell, J. (2007). Gender Differences in Organizational Justice: Predicting the Key Employee Outcomes of Organizational Commitment, Job Satisfaction, and Turnover Intention.

- Deakin Research*. [Online] Available at: <http://www.deakin.edu.au/olro/veiw/DU:30016763> (October 25<sup>th</sup>, 2016).
- Khan, A. R. (2000). *Business Ethics* (1st ed.). Dhaka, Bangladesh: Rubi Publications.
- Kheder, M. (2001). *Islamic fundamentals in software engineering*. Paper presented at the International Conference on Information Systems and Islam, Kuala Lumpur, Malaysia: International Islamic University Malaysia.
- Koh, H. C., & Boo, E. H. (2004). Organizational ethics and employee satisfaction and commitment. *Management Decision*, 42(5), 677-693.
- Kumar, N., & Rose, R. C. (2010). Examining the link between Islamic work ethic and innovation capability. *Journal of Management Development*, 29(1), 79-93.
- Lau, V. & Wong, Y. (2009). Direct and Multiplicative Effects of Ethical Dispositions and Ethical Climates on Personal Justice Norms: A Virtue Ethics Perspective. *Journal of Business Ethics*, 90(2), 279 – 294.
- Lee, H. R. (2000). *An Empirical Study of Organizational Justice as a Mediator of the Relationships among Leader-Member Exchange and Job Satisfaction, Organizational Commitment, and Turnover Intentions in the Lodging Industry*. Virginia Polytechnic Institute and State University, Virginia.
- Lim, E. (2008). A review of the literature pertaining to the relationship between leadership practices and employee turnover. *Consortium Journal of Hospitality & Tourism*, 13(1), 49-71.
- Lind, E. A., & Tyler, T. R. (1988). *The Social Psychology of Procedural Justice*. New York: Plenum Press.
- Mackinnon, D. P., Warsi, G., & Dwyer, J. H. (1995). A Simulation Study of mediated effect measures. *Multivariate Behavioral Research*, 30, 41-62.
- McGee, R. W. (2012). Ethics of Tax Evasion in Islam: A Comment. In *The Ethics of Tax Evasion* (pp. 159-165). Springer New York.
- Metcalf, B. D., & Rees, C. R. (2010). Gender, globalization and organization: Exploring power, relations and intersections. *Equality, Diversity and Inclusion: An International Journal*, 29(1), 5-22.
- Miller, B. K., Konopaske, R., & Byrne, Z. S. (2012). Dominance Analysis of Two Measures of Organizational Justice. *Journal of Managerial Psychology*, 27(3), 264 – 282.
- Mohammad, J., & Quoquab, F. (2016). Furthering the thought on Islamic work ethic: how does it differ? *Journal of Islamic Marketing*, 7(3), 355 – 375.
- Mohammad, J., Quoquab, F., Rahman, N. M. N. A., & Idris, F. (2015). Organisational citizenship behaviour in the Islamic financial sector: does Islamic work ethic make sense? *International Journal of Business Governance and Ethics*, 10(1), 1–27.
- Mowday, R. T. (1987). Equity theory predictions of behavior in organizations. In R. Steers & L. Porter (Eds.), *Motivation and work behavior* (4<sup>th</sup> ed. pp. 89-110). New York: McGraw Hill.
- Muhammad (1993). *Keadilan dalam Islam*. Yogyakarta: Pustaka Pelajar.
- Murtaza, G., Abbas, M., Raja, U., Roques, O., Khalid, A., & Mushtaq, R. (2016). Impact of Islamic Work Ethics on Organizational Citizenship Behaviors and Knowledge-Sharing Behaviors. *Journal of Business Ethics*, 133(2), 325 – 333.

- NAB. (2005). *Annual Report*, Islamabad, Pakistan. Retrieved from National Accountability Bureau website: <http://www.nab.gov.pk>
- NAB. (2014). *Annual Report*, Islamabad, Pakistan. [Oline] Available at: <http://www.nab.gov.pk> (March 29<sup>th</sup>, 2016).
- NAB. (2015). *Annual Report*, Islamabad, Pakistan. [Oline] Available at: <http://www.nab.gov.pk> (March 29<sup>th</sup>, 2016).
- Nadiri, H., & Tanova, C. (2009). An investigation of the role of justice in turnover intentions, job satisfaction and organizational citizenship behavior in hospitality industry. *International Journal of Hospitality Management*, 28(4), 586-93.
- Niehoff, B. P., & Moorman, R. H. (1993). Justice as a mediator of the relationship between methods of monitoring and organizational citizenship behavior. *Academy of Management Journal*, 36(3), 527-556.
- Okpara, J. O. (2004). Personal Characteristics as Predictors of Job Satisfaction: An Exploratory Study of IT Managers in a Developing Country. *Information Technology and People*, 17(3), 327-338.
- Rahman, N. M., Muhamad, N., & Othman, A. S. (2006). The relationship between Islamic Work Ethics and organizational commitment: A case analysis. *Malaysian Management Review*, 41(1), 79-89.
- Rai, G. S. (2013). Impact of organizational justice on satisfaction, commitment and turnover intention: Can fair treatment by organizations make a difference in their workers' attitudes and behaviors? *International Journal of Human Sciences*, 10(2), 260-284.
- Ribeiro, N., & Semedo, A. S. (2014). Human Resources Management Practices and Turnover Intentions: The Mediating Role of Organizational Justice. *The IUP Journal of Organizational Behavior*, 13(1), 7 – 32.
- Rice, G. (2006). Pro-Environmental Behavior in Egypt: Is There a Role for Islamic Environmental Ethics? *Journal of Business Ethics*, 65, 373–390.
- Rokhman, W. (2010). The Effect of Islamic Work Ethics on Work Outcomes. *Electronic Journal of Business Ethics and Organization Studies*, 15(1), 21 – 22.
- Rokhman, W., & Hassan, A. (2012). The Effect of Islamic Work Ethic on Organizational Justice. *African Journal of Business Ethics*, 6(1), 25 – 29. ISSN 1817-7417.
- Sadozai, A. M., Marri, M. Y. K., Zaman, H. M. F., Yousufzai, M. I., & Nas, Z. (2013). Moderating role of Islamic Work Ethics between the relationship of Organizational Commitment and Turnover Intentions: A Study of Public Sector of Pakistan. *Mediterranean Journal of Social Sciences*, 4(2), 767 – 776.
- Scandura, T. A. (1997). Mentoring and organizational justice: An empirical investigation. *Journal of Vocational Behavior*, 51(1), 58-69.
- Schminke, M., Ambrose, M., & Noel, T. W. (1997). The effect of ethical frameworks on perceptions of organizational justice. *Academy of Management Journal*, 40(5), 1190-1208.
- Schweper, C. H. (2001). Ethical climate's relationship to job satisfaction, organizational commitment and turnover intention in the sales force. *Journal of Business Ethics*, 54, 39-52.

- Singhapakdi, A., Vitell, S. J., & Franke, G. R. (1999). Antecedents, Consequences, and Mediating Effects of Perceived Moral Intensity and Personal Moral Philosophies. *Academy of Marketing Science*, 27, 19-36.
- Taormina, R. J., & Kuok, A. C. H. (2009). Factors related to casino dealer burnout and turnover intention in Macau: Implications for casino management. *International Gambling Studies*, 9(3), 275 – 294.
- Tarmizi, A. N. (2008). *Quality of Work Life and Turnover Intention - The Mediating Effects of Career and Organizational Commitment*. [Online] Available at: <https://core.ac.uk/download/pdf/11974410.pdf> (December 24th, 2016).
- Thau, S., Aquino, K., & Poortvliet, P. M. (2007). Self-Defeating Behaviors in Organizations: The Relationship between Thwarted Belonging and Interpersonal Work Behaviors. *Journal of Applied Psychology*, 92, 840 – 847.
- Trevino, L. K., & Weaver, G. R. (2009). Organizational Justice and Ethics Program “Follow-Through”. *Business Ethics Quarterly*, 11(4), 651-671.
- Turkdogan, O. (2002). *Islamic Value System and Max Weber*, Istanbul: Yayincilik.
- Uygun, S. (2009). The Islamic work ethic and the emergence of Turkish SME owner-managers. *Journal of Business Ethics*, 88(1), 211-225.
- Verma, A. (2005). *How turnover effect the organization performance? And the turnover effects on management and HR policies*. Canada: University of Toronto, ONT.
- Weiss, J. W. (2003). *Business Ethics*. Thomson South-Western.
- West, L. S. (2007). Examining the relationship between employee-superior conflict and voluntary turnover in the workplace: A comparison of companies across industries (Master’s thesis, University of North Texas).
- Williams, G., & Zinkin, J. (2010). Islam and CSR: A study of the compatibility between the tenets of Islam and the UN Global Compact. *Journal of Business Ethics*, 91(4), 519-533.
- Yeboah-Assiamah, E. (2014). Business Ethics in Islam: Assessing Traders’ Understanding of Islamic Work Ethics; Perspectives of Muslim Market Women in Kumasi Central Market, Ghana. *Journal of Studies in Social Sciences*, 9(1), 83-100.
- Yousef, D. A. (2000). The Islamic work ethic as a mediator of the relationship between of control, role conflict and role ambiguity—A study in an Islamic country setting. *Journal of Managerial Psychology*, 15(4), 283-298.
- Yousef, D. A. (2001). Islamic Work Ethic: A Moderator between Organizational Commitment and Job Satisfaction in a Cross-Cultural Context. *Personnel Review*, 30(2), 152–169.
- Zhang, H., & Agarwal, N. C. (2009). The Mediating Roles of Organizational Justice on the Relationships between HR Practices and Workplace Outcomes: An Investigation in China. *The International Journal of Human Resource Management*, 20(3), 676 – 693.
- Zimmerman, R. D., & Darnold, T. C. (2009). The impact of job performance on employee turnover intentions and the voluntary turnover process: A meta-analysis and path model. *Personnel Review*, 38(2), 142-158.