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Editors

State-of-the-Art Theories and Empirical Evidence

Selected Papers from the 6th International Conference on Governance, Fraud, Ethics, and Social Responsibility

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Factors Influencing the Implementation
of Islamic Work Ethics in Banks:
A Qualitative Study

**Putifatma Hanum Melati, Nor Diana Mohd Mahudin
and Nazariah Shari'e Janon**

Abstract Work ethics are essential in organisations not only because they are used to guide employees to behave ethically, but they could also affect employees' performance and efficiency. This reality necessitates a clear and effective strategy for implementation of workplace ethics policies in general and Islamic work ethics in particular. However, little systematic evaluation of such implementation processes has been made. This study explored what is known regarding the issues that facilitate the implementation of Islamic work ethics in organisations and made recommendations for their successful implementation. A qualitative study using semi-structured interviews ($n = 16$) with Branch Managers and Assistant Branch Managers from six Islamic banks in Kuala Lumpur and Selangor was conducted. Data saturation was reached after 12 interviews, with four additional interviews undertaken to ensure a broadly representative sample. Using thematic analysis, nine themes describing factors influencing the implementation of Islamic work ethics were identified. These factors vary from personal and organisational to management and environmental. Improvements in these factors could have positive effects on successful implementation of ethics policies in organisations. The implications of the findings and recommendations for future research are discussed.

Keywords Implementation · Islamic · Work ethics · Facilitating factors · Banks

Introduction

There has been a considerable globalisation of Islamic banks and financial institutions in countries around the world, partly due to the expansion of the business of conventional banks into Islamic ones (Perry and Rehman 2011). Since the growth of these institutions is increasing, competition among banks has become intense not

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agreed that a mixed-method approach could be used in future research to investigate other aspects of the implementation process.

The second limitation relates to the characteristics of the participants and the scope of the study. As discussed in the method section, the participants for this study were chosen by using purposive sampling and comprised of staff at the management level. In addition, the participants' locations were within the Kuala Lumpur and Selangor areas only. Hence, it is suggested that further studies expand the sample size and locations as well as investigate the issue from the perspective of employees in non-management positions.

Based on the findings of this study, three recommendations are made. First, it is suggested that future studies investigate further the three new factors identified in this study (i.e. Islamic programmes, Islamic branding, and customers). This is because these three factors are essential for employees to internalise Islamic work ethics in Islamic organisations, and at the same time, they can act as internal motivation for the implementation of ethical behaviour. Second, as there are considerably fewer studies from the context of Islamic organisations, it is suggested that more investigation be undertaken regarding the implementation of Islamic work ethics in Islamic organisations. In other words, future studies should be conducted on Islamic organisations other than Islamic banks. In this way, a better understanding and strategy can be made to enhance the implementation of Islamic work ethics in Islamic organisations. Finally, it is recommended that future research explores more about the practical implications of the findings. Specifically, the exploration should be on the effectiveness of practical strategies to enhance implementation of Islamic work ethics. This is due to the challenges that exist in the implementation of Islamic work ethics, which make these ethics remain on paper only without any practical application.

Conclusion

In this study, nine themes emerged as the facilitating factors of implementation of Islamic work ethics in Islamic banks. Six themes (i.e. leadership, code of ethics, management, personal perspectives, ethics training, and climate) are similar to past studies while the remaining three (i.e. Islamic programmes, Islamic branding, and customers) are new and distinct. It is, therefore, necessary to take these factors into account in order to achieve a successful implementation of Islamic work ethics. Given these findings, Islamic organisations could develop strategies and plan for a better implementation of ethics policies by considering and optimising the factors found here.