

Roshima Said · Noor Zahirah Mohd Sidek
Zubir Azhar · Khairul Anuar Kamarudin
Editors

State-of-the- Art Theories and Empirical Evidence

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



Springer

State-of-the-Art Theories and Empirical Evidence

Roshima Said · Noor Zahirah Mohd Sidek
Zubir Azhar · Khairul Anuar Kamarudin
Editors

State-of-the-Art Theories and Empirical Evidence

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

Editors

Roshima Said
Universiti Teknologi MARA
Kedah
Malaysia

Zubir Azhar
Universiti Sains Malaysia
Penang
Malaysia

Noor Zahirah Mohd Sidek
Universiti Teknologi MARA
Kedah
Malaysia

Khairul Anuar Kamarudin
Universiti Teknologi MARA
Kedah
Malaysia

ISBN 978-981-10-6924-6 ISBN 978-981-10-6926-0 (eBook)
<https://doi.org/10.1007/978-981-10-6926-0>

Library of Congress Control Number: 2017955275

© Springer Nature Singapore Pte Ltd. 2018

This work is subject to copyright. All rights are reserved by the Publisher, whether the whole or part of the material is concerned, specifically the rights of translation, reprinting, reuse of illustrations, recitation, broadcasting, reproduction on microfilms or in any other physical way, and transmission or information storage and retrieval, electronic adaptation, computer software, or by similar or dissimilar methodology now known or hereafter developed.

The use of general descriptive names, registered names, trademarks, service marks, etc. in this publication does not imply, even in the absence of a specific statement, that such names are exempt from the relevant protective laws and regulations and therefore free for general use.

The publisher, the authors and the editors are safe to assume that the advice and information in this book are believed to be true and accurate at the date of publication. Neither the publisher nor the authors or the editors give a warranty, express or implied, with respect to the material contained herein or for any errors or omissions that may have been made. The publisher remains neutral with regard to jurisdictional claims in published maps and institutional affiliations.

Printed on acid-free paper

This Springer imprint is published by Springer Nature

The registered company is Springer Nature Singapore Pte Ltd.

The registered company address is: 152 Beach Road, #21-01/04 Gateway East, Singapore 189721, Singapore

Contents

Part I Ethics and Governance

Beyond Good Practices and Standards: An Islamic Framework of Sustainable Business Practices for Corporate Organisation	3
AbdulGafar Olawale Fahm	

Determinants of Islamic Social Reporting Disclosure: The Case of Jakarta Islamic Index	27
Nanda Trio Santoso, Reni Mulia Ningsih and Reza Puji Paramitha	

An Insight on the Impact of Norms and Ethics on Tax Compliance	41
Norasmila Awang, Wan Faizah Wan Abdullah, Norehan Mohd Tahir and Noraini Abdul Rahim	

Corporate Governance Practices and Firm Performance After Revised Code of Corporate Governance: Evidence from Malaysia	49
Siti Marlia Shamsudin, Wan Razazila Wan Abdullah and Amir Hakim Osman	

Factors Influencing the Implementation of Islamic Work Ethics in Banks: A Qualitative Study	65
Putifatma Hanum Melati, Nor Diana Mohd Mahudin and Nazariah Shari'e Janon	

Part II Audit

Auditor Specialization and Its Influence on the Association Between Governance and the Timeliness of Financial Reporting	93
Khairul Anuar Kamarudin, Wan Adibah Wan Ismail, Zuraini Yaacob and Siti Salmah Abu Bakar	

The Relevant Value of Accounting Information on the Adoption of the IFRS in the Capital Market: Evidence in the Indonesian Banking Industry	107
Ishak Ramli	

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

P. H. Melati · N. D. M. Mahudin (✉) · N. S. Janon
Department of Psychology, International Islamic University Malaysia,
P.O. Box 10, 50728 Kuala Lumpur, Malaysia
e-mail: nordianamm@iium.edu.my

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.

Acknowledgements This research is funded by FRGS14-115-0356 grant from the Ministry of Education, Malaysia, for which the authors are most grateful.