Impact of Arab Islamic Culture on Employees’ Effectiveness from the Employees’ Perspective in Commercial Banks Case of The Hashemite Kingdom of Jordan

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Abstract: This paper presents part of theoretical and practical analysis of the influence of Arab Islamic culture on employees’ effectiveness in Jordanian commercial banks. It considers two of the Islamic values: Intention (Neyyah) and Justice Trust (Amana) from the employees’ perspective. The influence of religion on both: practices of management and its role in human behaviour within work organizations has been ignored (Ababneh & Avramenko, 2016). This paper tries to fill part of this gap by considering its influence on organizational performance in general and employee’s effectiveness in particular. In a country such as the Hashemite Kingdom of Jordan, religion plays an important role in everyday life, being supported by Government. Interest is in the prevalent behaviour at work and beyond. The question is ‘what’ is the degree of influence of commitment to religious practices? This paper explores the relationship between the dominant religion and management practices in paying particular attention to Arab Islamic culture and employees’ effectiveness. This is an important sector to study, as it plays a key role in supporting societies and is arguably the most important service sector affecting the Jordanian economy. Data was analysed from managers, assistant managers, divisional heads, branch heads and other employees from five commercial banks in the Hashemite Kingdom of Jordan with a sample size of 174. Therefore, descriptive statistics, multiple regression analysis and other statistical tests were utilised to test research hypotheses. The empirical results of the research show there is no statistically significant effect to Intention (Neyyah) and Justice Trust (Amana) on HR performance in the commercial banks in Jordan.

Keywords: Islam, human resources performance, Islamic culture and values, Hashemite kingdom of Jordan

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INTRODUCTION

Many studies focus on the influence of organizational culture and national culture on organization performance and practices in general (Hofstede, Neuijen, Ohayv, & Sanders, 1990; House, Hanges, Javidan, Dorfman, & Gupta, 2004; Silva, Roque, & Caetano, 2015; Pool, 2000; Balmer & Wilson, 2001). This also concerns HR effectiveness in particular (Aycan et al., 2000; Denison & Mishra, 1995; Jaeger & Kanungo, 1990; Mendonca & Kanungo, 1994; Stone & Deadrick, 2015). However, “the impact of religion on management practice and its role in relation to human behaviour

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has been largely ignored” (Ababneh & Avramenko, 2016), and “the association between religious beliefs, management practices and organizational outcomes has been conspicuously ignored in mainstream management research” (Budhwar & Mellahi, 2010). In addition, current Islamic conflict resolution models lack a comprehensive Islamic theological approach to mitigating conflict from a management context (Abdul Cader, 2017). As a result of this deficiency for Muslim organizations there is increasing avoidance and distancing in Islamic management practice (Alfalih, 2016). According to a worldwide report over 80 per cent of people agreed that religion constitutes an important part of their daily life Sedikides (2010), and McQuillan (2004) argues that there is an influence of religion on demographic behaviour.

There has been increased interest in observing the impact of Islamic ethical values on different dimensions of organizational work environments (Abbasi & Rana, 2012) with some suggesting that Islamic work ethics have contributed to organizational learning and innovation. This would suggest they have a positive influence on individual and collective learning and therefore can significantly affect overall performance of an organization (Abbasi, Akhter, & Umar, 2011; Abbasi, Mir, & Hussain, 2012). This ‘positive’ effect of Islamic work ethics on job satisfaction and organizational commitment has perhaps been ‘a given’, yet it is argued there is no significant evidence of the effect of Islamic work ethics on turnover intention (Rokhman, 2010). Islam is not only a religion but also a comprehensive approach which focuses on individual private life acting as a guide for humans in their interactions and activities in their daily life (Sulaiman, Sabian, & Othman, 2014).

The increasing demands of globalisation and liberalisation have caused most Jordanian organizations to adopt Western management practices in the belief they will enhance competitiveness. Therefore, both researchers and practitioners have started paying more attention to the study of culture as an explanatory variable. They have also come to realise that an uncritical adaptation of human resource management practices and techniques has evolved in the context of Western cultural values, which may not be effective in other socio-cultural environments (Aycan et al., 2000). According Abdul Cader (2017) few studies focus on validating Western models through Islamic principles. It is important to shed light on the reality of Western cultural impact on organizations and their apparent adaptation to Western management practices, and to explore and reflect on the impact on organizational performance in general and also employees’ effectiveness.

The purpose of this study is to explore the relationship between cultural values and employees’ effectiveness from the religious perspective, and to explore the reality of this, in one of the largest organizations in the Hashemite Kingdom of Jordan, the Jordanian commercial banks. It plays an important role in economic and society, and the commercial banks in the Hashemite Kingdom of Jordan. The kingdom, with a dominant and historical religion, strongly supports religious practices and 92% of the country’s population are Muslims (Saleh & Zeitun, 2006).

Objectives of the Study

This study has been conducted to achieve the following objectives:

- To investigate if Arab Islamic value (Intention/Neyyah) has any influence on employees’ effectiveness from the employees’ perspective in the commercial banks of Jordan.
- To identify if there is a positive and significant statistical relationship between Trust (Amana), as a part of Arab Islamic culture, and on the employees’ effectiveness from the perspective of the employees in the commercial banks in Jordan.

LITERATURE REVIEW

According to Abdul Cader (2017) when the process of developing management strategies in the workplace religion cannot be ignored. According to Aba Al-Khail (2004), Islam is a conceder, a holistic way of life, for its adherents. As a result, Islam as religion has an impact on human behaviour and actions (A. J. Ali, 2010). In Islam work has been treated as an obligatory activity to build balance in the life of human beings and social life (A. Ali, 1988; Nasr, 1984). By giving work a religious, social and economic dimension, Islam has elevated labour, and those who engage in economic activities to a noble position (A. J. Ali, 2010).

Shuja (2000) is argued that a new human Islamic presence since the second half of the twentieth century in the West. This may well be an indication, from a new demographic perspective. Islam is a global major force now. Furthermore, in Central Asia Islam now is currently the fastest growing religion (Shuja, 2000).

To ‘believers’; it is not a religion Islam, it is a comprehensive way of life (Aba Al-Khail, 2004; Abbasi & Rana,
All aspects of Muslim life are regulated by Sharia, the main sources of which are the Qur’an (considered by Muslims to be the holy word of God), and the Sunnah (Hadith) (the sayings and deeds of the prophet Muhammad).

According to A. J. Ali and Weir (2005) from the Islamic management perspective it is important to pay attention to individuals on the basis of acting for the benefit of the all in society. Furthermore, Sulaiman et al. (2014) argue that all aspects of human life are covered by Islamic law, and this is the most remarkable characteristic of it. In spite of cultural differences, it transcends national and ethical differences as well as time and place, encompassing all activities, including social, political and economic. In the way in which organizations are managed Islam therefore has implications (Ababneh & Avramenko, 2016).

From the Islam perspective, every act needs to be accompanied by intention (Nyahh). The Prophet Mohammed said: “Actions are recorded to intention and a person will be rewarded or punished accordingly”. A person is ‘endowed’ with free will but is responsible for change in society (Branine & Pollard, 2010). The Quran (13:11) states: “God does not change the condition of people unless they change what is in their hearts”. The implication of Intention (Nyaa) in human performance is that employees are not punished for making unintentional mistakes but for their intentional goals, ideas, plans and strategies. According to A. J. Ali and Al-Owaihan (2008) intention clearly differentiates Islamic work ethics from other faiths. One fundamental assumption in Islam is that intention rather than results is the criterion upon which work is evaluated in terms of benefit to the community. The Prophet Mohamed stated, “God does not look at your matters [shapes or forms] and wealth, rather God examines your intentions and actions”. This also accentuates in Islamic management the importance of human resource planning and strategic decision-making.

Therefore, as suggested by (Branine & Pollard, 2010) one of the most important values, since each anyone is held accountable for her/his work in the society, is Trust (Amana). Trust shapes the behaviour of individuals; both manager and subordinate, enabling them to (Amana) perform their duties and accomplish tasks assigned to them. When we are thinking about core values of operating in a social relationship with everyone, he or she is accountable for his or her actions and deeds, we should focus on Justice honesty (Amana) (Tayeb, 1996). The Holy Quran states: “O you that believe! Betray not the trust of God and the Apostle nor misappropriate knowingly things entrusted to you” (8:27).

Islamic cultural value deserves serious inquiry as it is the ideal that Muslims seek to realize (Nasr, 1984). In addition, Islam is one of the most influential factors shaping current Arab value systems (A. Ali, 1988). According to King and Roeser (2009) religion is among the most significant factors in human behaviour and interaction.

Finally, Ahmad and Ogunsola (2011) argued that Islamic work values stand not for life denial but for life fulfilment and hold business motives in the highest regard (Yousef, 2001). According to Yousef (2001), those who believe in Islam and its practice are more likely to be further committed to their organizations and presumably more satisfied with their jobs.

Despite the importance of Islam in Arab countries, in general and Jordan in particular, there is a gap between theory and practice of Islamic management in Arab countries (Branine & Pollard, 2010). Furthermore, there is an argument that there is only a moderate impact of Islamic values on number of HR functions (Ababneh & Avramenko, 2016).

Research Hypotheses

After reviewing the literature, this study provides the following hypotheses:

**H1:** There is no statistically significant effect of Intention (Neyyah) on employee’s effectiveness in the commercial banks in the Hashemite Kingdom of Jordan.

**H2:** There is no statistically significant effect of Justice trust (Amana) on employees’ effectiveness in the commercial banks in the Hashemite Kingdom of Jordan.

**RESEARCH MODEL**

Figure 1 below is the research model of the study. It illustrates independent variables (Arab Islamic values: Intention/Neyyah and Justice Trust (Amana)) and their impact on the dependent variable of employees’ effectiveness in five of the commercial banks in Jordan.
RESEARCH METHODOLOGY

This study applied a quantitative research design, and the population and sampling, data collection methods, validity and reliability are now considered.

Population and Sampling Method

The population for this study includes permanent workers in five commercial banks in the Hashemite Kingdom of Jordan who agreed to be part of this study. The data sampling strategy involved a questionnaire survey distributed to 174 managers, manager assistants, division heads, branch heads, and employees. The questionnaire was randomly distributed to ensure enough participation of employees in the study. Some 160-questionnaire survey forms were returned of which 155 were useable. The total response rate was 95%. SPSS version 22 has been used to process the data gathered by the questionnaire survey to find out the association between Islamic culture values and employees’ effectiveness by applied descriptive statistics, Correlation and Regression analysis.

Data Collection Methods

This study used two types of data collection method, primary data: through questionnaire survey design, and data from literature including books, articles reports and information about Jordanian commercial banks from their websites. The questionnaire survey was developed through a literature review and pilot study, which took place prior to main data collection with two human resource managers in the commercial banks in Jordan. The questionnaire was initially developed and distributed in Arabic, as the Arabic language is the official language in Jordan, and all the population are able to read and write it. An English-language expert (Assistant Professor in English Language teaching in the English Department in an Islamic private university in Jordan and Arabic his mother language) translated from Arabic to English after the Associate Professor in the Arabic Language in a public university in Jordan checked for grammatical errors. In order to ensure accuracy, two bilingual experts, fluent in both English and Arabic, checked the questionnaire before sending out the Arabic version.

The language of questionnaires in research can affect not just attitudes, but also behaviours (Akkermans, Harzing, & Van Witteloostuijn, 2010).

The questionnaire contained three sections, a covering letter that included the aim of the study that politely and respectfully asked the participant to answer the questionnaire. The researcher’s contact information was provided at the end of this section.

Section two included general information (Demographic Characteristics) about the respondents. The last section included questions related to Arab Islamic values (Intention/Nayahh and Justice Trust (Amana)) and employee’s effectiveness.

Research Validity

To establish the validity of the questionnaire and the criteria of analysis these were ‘checked’ by a jury of two professors—one an associate professor from Muta’h University/Jordan and the other from the Tafilah Technical University/Jordan. The jury’s comments for rephrasing, deleting or adding items were taken into consideration for both questionnaire and interview questions. To facilitate this, the staff and managers’ task of responding to the questionnaire and interviews enable them to respond without having to worry about understanding the meaning of the question. The questionnaire was in Arabic, as it is the mother language for the participants.

From a statistical perspective, the validity measures indicate that the Pearson correlation values between each item and the total of the dimension. This kind of correlation that could be achieved is an integer one (1) so generally all of this value will be considered as a good correlation value (i.e., 0.50 or higher). Regarding the results, all values provided
Research Reliability

According to Joppe (2000) reliability is:

“The extent to which results are consistent over time and an accurate representation of the total population under study is referred to as reliability and if the results of a study can be reproduced under a similar methodology, then the research instrument is considered to be reliable”.

This research can be considered reliable for many reasons: the first to be that the participants were sure that their confidentiality would be protected by the University of South Wales regulations and as a part of an educational degree their information will never be shared with third parties under any kind of circumstances. Second, the enhanced trustworthiness of the research is due to the interview questions and the questionnaire being in Arabic, which eliminated the risk of any misunderstanding or misinterpretation, which might have arisen if people whose first language is not English had been interviewed in English.

Finally, adopting an appropriate methodology ensured proper processes were followed ensuring reliability and the minimisation of potential bias.

From a statistical perspective, the results of Cronbach’s alpha were found regarding reliability analysis. The value of Cronbach’s alpha for Arab Islamic culture was (0.932), and (0.928) for the employees’ effectiveness.

DATA ANALYSIS

The Statistical Package for Social Sciences (SPSS-22) has been used for the statistical analysis.

Descriptive Statistics

It is evident from the results summarized in Table 1 that the mean and standard deviation values and the subscales representing Arab Islamic culture (Intention/Nayyah and Trust (Amana) indicated general agreement.

Table 1 THE MEAN AND STANDARD DEVIATIONS FOR THE SUBSCALES REPRESENTING ARAB ISLAMIC CULTURE

<table>
<thead>
<tr>
<th>No.</th>
<th>Islamic Cultures’ Sub Scales</th>
<th>Mean</th>
<th>SD</th>
<th>Level</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intention/ Nayyah</td>
<td>3.93</td>
<td>0.71</td>
<td>High</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>Trust (Amana)</td>
<td>3.30</td>
<td>0.71</td>
<td>Moderate</td>
<td>9</td>
</tr>
</tbody>
</table>

As can be seen in Table 1, accordingly Intention/Nayyah was ranked first as it recorded the highest mean (3.93 ± 0.71). This value expresses a high degree of agreement while Trust (Amana) was ranked last as it recorded the least mean (3.30 ± 0.71) and this value expresses a moderate degree of agreement. The overall Arab Islamic culture evaluated mean was (3.62). This expresses a high degree of agreement.

Hypotheses Testing

A four multiple regressions test was carried out in order to test the hypotheses for this research. The results are presented in the following Tables 2 and 3.

Table 2 MULTIPLE REGRESSION ANALYSIS TO TEST THE RELATIONSHIP BETWEEN INTENTION/NEYAHH AND THE EMPLOYEES’ EFFECTIVENESS IN THE JORDANIAN COMMERCIAL BANKS

<table>
<thead>
<tr>
<th>Variable</th>
<th>β</th>
<th>Sem</th>
<th>t</th>
<th>Sig(t)</th>
<th>Result of H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intention/Neyyah</td>
<td>.017</td>
<td>.067</td>
<td>.257</td>
<td>.797</td>
<td>Reject</td>
</tr>
</tbody>
</table>
Relying on the results mentioned in Table 2 the impact value of Intention/Neyyah represented by $\beta$ coefficient was (0.017). This value was not statistically significant because the significance level (sig) value (0.797) was $> 0.05$.

As a result, the first subsidiary hypothesis is accepted.

Table 3 **MULTIPLE REGRESSION ANALYSIS TO TEST THE RELATIONSHIP BETWEEN JUSTICE TRUST (AMANA) AND THE EMPLOYEES’ EFFECTIVENESS IN THE JORDANIAN COMMERCIAL BANKS**

<table>
<thead>
<tr>
<th>Variable</th>
<th>$\beta$</th>
<th>Sem</th>
<th>$t$</th>
<th>Sig($t$)</th>
<th>Result of H2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trust (Amana)</td>
<td>.046</td>
<td>.060</td>
<td>.772</td>
<td>.441</td>
<td>Reject</td>
</tr>
</tbody>
</table>

The results suggest the impact value of justice trust (Amana). The value was (0.046). This value was statistically not significant because the significance level (sig) of the $t$ test was (0.441) $> 0.05$, as can be seen in Table 3.

As a result, the first subsidiary hypothesis is accepted.

**DISCUSSION**

This paper provides valuable insights into the influence of Arab Islamic values on employees’ effectiveness through exploring the reality of the situation in some of the largest private organizations in Jordan. This could help decision makers pay more attention to the way they try to develop and improve polices to increase their employees’ effectiveness. The study findings showed that both Intention/Nayyah and Trust (Amana) do not have any significant effect on employees’ effectiveness in five of the commercial banks in Jordan from the respondents’ perspective. It is argued that most Arab countries suffer from extreme superficial Islamic knowledge and understanding which has damaging effects on management of organizations and has limited the scope for development of an Islamic management system (Branine & Pollard, 2010). Furthermore, since the majority of countries with Muslim majority societies have adopted the capitalist system, a conflict between economic reality and religious instruction is expected (A. J. Ali, 2010). According to Altarawneh and Lucas (2012) the adaptation and persistence of a Western accounting approach and the failure to detect a significant impact of Islam on accounting (professional or academic) in Jordan is a consequence of Jordan’s integration into the international capitalist economic system. This has been enforced by Western countries and their agencies such as the World Trade Organization, World Bank, International Monetary Fund, and United States Agency for International Development. As a result, Jordan is heavily influenced by Western culture style and values, the impact of negative globalization and wide use of Western management practices. It is even argued that current evidence is insufficient to show whether importing Western management practices into companies in developing countries is likely to improve performance. Even if it does improve performance, it is unknown whether the mechanism bringing about improvement is primarily to do with downsizing, intensification of work and increased managerial control, or if the result of improved workforce commitment and motivation arise from empowerment, workforce development opportunities, and improved internal communication (Al-Husan, Brennan, & James, 2009).

**CONCLUSION**

The aim of this research paper was to provide a theoretical empirical tested analysis about Arab Islamic culture in general focusing on two main values: Intention/Neyyah and Justice Trust (Amana), and their impact on employees’ effectiveness from the manager, manager assistant, division head, branch head, and employee perspective in five of the commercial banks in Jordan.

The results of the research show Intention/Neyyah and Justice Trust (Amana) on employees’ effectiveness in Jordan, which is a country with 92% of the population Muslim (Erkekoglu & Madi, 2017). Furthermore, 78.7% of the survey respondents in this study were Muslims and the results were somewhat expected. These findings are broadly in line, and harmony, with researchers such as Ababneh and Avramenko (2016), and the argument about the way organizations operate in an Islamic country. Additionally, these findings are consistent with previous research by (Branine & Pollard, 2010) who indicated that a gap exists between theory and practice for Islamic management in Arab countries. They further suggest that the problem of management in Arab countries is influenced by traditional and non-Islamic norms and values of different cultures of Arab countries. This gap exists as a result of the impact of globalization on the
younger generation who represented 49% of the survey respondents. It is argued that globalization has increased the ignorance of the younger generation with their tradition, habits and customs, as they care only about new fashion, media, internet, fast food, and advanced technology more than caring about their national culture, social problems, or their country’s needs. Furthermore, globalization has affected the young generation’s identity since they have abandoned Islamic and Arabic identity and replaced this with Western culture. Moreover, globalization has decreased national, social, and moral values that characterize Jordanian society (Al-Zyoud, 2009). Additionally contemporary management can be shaped in Arab countries influenced by Western style and culture (A. J. Ali, 1990; Budhwar & Mellahi, 2006; Dadfar, 1993).

This research contributes to the scarcity in the literature by providing a realistic account of the impact of two of the most important parts of Arab Islamic values (Intention/ Neyyah and Justice Trust/Amana) in contemporary management in general and the role of Islamic values in employees’ effectiveness in organizations in the private sector in particular. There is no doubt that there are a number of research studies conducted in this field but the majority of them have focused on theoretical aspects, while present research is rich in both empirical and theoretical basis.

The researcher is aware that this research has a number of limitations. The sample researched was from only five commercial banks in the Hashemite Kingdom of Jordan, and the sample size was small compared with the total population. There is only one research method used in this research being the questionnaire survey. It would be interesting to conduct a qualitative analysis using a relatively large sample to identify the factors that preclude the influence of those values on employees’ effectiveness in the commercial banks in Jordan.

Future research can focus on studying Arab Islamic values through more investigation into the research environment to contribute to the international body of knowledge in this topic. In addition, future research can be conducted in Jordan and Arab countries to fill the gap in understanding human resource performance and Arab Islamic values as the literature is lacking with regards to these concepts.

REFERENCES


