

**IMPACT OF RELIGIOSITY TOWARDS ORGANIZATIONAL COMMITMENT:
A CASE OF BANKING INSTITUTIONS IN MUKAH**



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Table of Content

1. Letter of Report Submission.....	iii
2. Letter of Offer (Research Grant).....	iv
3. Acknowledgements	v
4. Report	1
4.1 Proposed Executive Summary	1
4.2 Enhanced Executive Summary	2
4.3 Introduction	3
4.4 Brief Literature Review.....	4
4.5 Methodology	7
4.6 Results and Discussion.....	10
4.7 Conclusion and Recommendation.....	13
4.8 References/Bibliography.....	15
5. Research Outcomes	18
6. Appendix	19

4.2 Enhanced Executive Summary

The purpose of this paper is to determine the relationship between religiosity and organizational commitment among employees currently working in banking institutions in Mukah area. In addition, this study also attempts to assess the level of religiosity and organizational commitment. In addition, the study is also conducted to make improvements on issues of employees' religiosity in a company. 63 data were collected using available structured questionnaire from eight banking institutions in Mukah and analyzed using SPSS. The findings of the study indicated that there were statistically significant positive relationships between intrinsic religiosity and organizational commitment however, there was no significant relationship found between extrinsic religiosity and organizational commitment. Therefore, only intrinsic religiosity component had a strong impact on organizational commitment. Furthermore, the study found that levels of all components were moderate thus employers in the sector could have other alternatives to consider and focus in order to enhance employees' commitment as well as responsibility and loyalty to their institutions. The findings from this study would be of importance to the company as it highlights the factors of religiosity that affects organizational commitment. The researchers have examined the relationship between components of religiosity, which are intrinsic religiosity and extrinsic religiosity with organizational commitment. The results have shown interesting facts of how a component of religiosity are significantly related to organizational commitment while another is not. Hence, the result of this study is necessary for improving business performance particularly for the human resource department and organization as a whole.

4.3 Introduction

Religion is important to every individual and family as it shapes beliefs and morality that influence their actions towards the surroundings. Elci, Sener and Alpkın (2011) mentioned that morality is synonymous with ethics, which is the philosophical study of the morale domain. Unfortunately, over the years many businesses had been affected by various kinds of morality issues involving employees. Crimes involving the insider happened quite numerous times in banking institutions all over the world. Furthermore, Hofstede (2001) has mentioned that religion has indirect implications at workplace.

Malaysia as a multicultural country has a workforce with diverse religions like Muslim, Christian, Hindu, Buddha and more. Diverse religion means diverse belief and perspectives of doing things. As a multicultural nation, we have been encouraged to accept and learn to tolerate differences of belief among each other. Thus, regardless of any religion, all religion promotes good behaviour and positive morale.

Bernama in 2003 reported that *“Bukit Aman Commercial Crimes Department's Head of Unit for Banking and Financial Crimes Supt Harjinder Kaur Gurdial Singh said overall the banks suffered losses amounting to RM789,106,376 within 5 years due to fraud done 60% by their own employees”*. On a more recent issue, the CNN reported in 2014, *“HSBC bank officer faced 12 charges for stealing USD35 000 (RM110, 600) from banks accounts of four passengers on missing Malaysia Airlines Flight MH370”*. Disobedience to the teachings within ones' religion such as ethic scandals, absenteeism, document manipulations, breach of trust, bribery, corporate greed and dishonesty among employees are some of the issues that not only banks but most organizations continue to battle and try to prevent since it affects the overall performance of the organization especially when it involves the key personnel that organization might lose due to the unethical conducts.

4.4 Brief Literature Review

Religion is a system of beliefs and practices that dictates individual response and interpretations regarding what is supernatural and sacred (Johnstone, 1975). Religion further defined as the ideal of life, supports power structures, gives meaning and shape to an individual's moral and society's ethical structures, rewards and punishes certain kinds of behaviour, provides norms for social action, and justifies social institutions and social roles (Mokhlis & Spartks, 2007). Basically, religion is a guideline on how individuals supposed to live their life based on its teaching of right and wrong and also on their faith to God. It has been learned since early upbringing and ultimately became the way of life when individuals started to practice the teachings. Thus, it conducts the individuals' behaviour and actions in most situations including the workplace. However, very few researchers did studies regarding the impact of religion towards work context since it was argued that the aspect of religion cannot be accessed through science (Davie, 2007). Based on previous study conducted by Giacalone and Jurkiewicz (2003) as mentioned by Osman-Gani, Hashim & Ismail (2010), religion is not subjected to rigorous proof necessary for scientific study because it is based on one's faith.

Religiosity on the other hand, refers to the intensity of one's religious beliefs (Mukhtar & Butt, 2012). Parboteeah, Hogel & Cullen (2009) found that an individual that is born within the religious surroundings are more likely uphold religious values thus normally get exposed to principles that is consistent with stronger work obligation thus believing they will be more committed to their organization. Likewise, individuals with lower level of religiosity will have weaker work obligation and do not feel attached to the work or the organization they work with. This shows that a positive relationship exists between the level of religiosity and work context. The more religious a person is, the more they will obeyed the teachings in their religion.

Additionally, Allport (1950) in his empirical study divided religiosity into two concepts namely intrinsic religiosity and extrinsic religiosity. In another study, Allport & Ross (1967) elaborated more on this concepts whereby extrinsically religious individuals are motivated to get involved in religious activities in order to maintain their membership of religious group just to gain approval, promote their wellbeing