

## **The Form of Discrimination amongst Employees at Islamic Financial Based Organization in Malaysia**

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### **Abstract**

*This study aims to study dimension of discrimination at Islamic financial based organization in Malaysia. Discrimination is one of the areas that always been emphasized in human resource management. It involves relationship between employee and employer in organization. Sample for the present study consisted of 291 non-executive employees working at Islamic financial based organization of Peninsular Malaysia. They were selected by using disproportionate stratified random sampling method. In measuring perception of discrimination, this study has adopted by Helb, Foster, Mannix and Dovidio (2002) for perception of discrimination measurement. Factor analysis has been performed to indicate the discriminant factors and convergence items for discriminant variable. The results have indicated that discrimination is represented by two dimensions, namely as victimization and alienation. This result has carried evidence that employees has been discriminated against by their superior to achieve the interests of themselves and the organization. The existence of discriminatory behaviour will reduce the trust of workers to the employer in organization.*

**Key words:** organizational discrimination, victimization, alienation, Islamic financial institution.

### **Introduction**

Discrimination is an issue that is rarely debated whether by institutions, organizations and individuals. The issues of discrimination are often regarded as an issue that does not give meaning to human welfare. However, in event of discrimination in life, people will blaming each other. Discrimination exists in various forms, whether formal discrimination and interpersonal discrimination. In the work environment, discrimination behaviour can lead to conflict between employers and employees in the organization. Normally, discrimination occurs is to defend the rights of individuals or groups in a wrong way (Bingham & Novac, 2001). Discrimination is a problem that is often used for the purpose of developing power in organization (Davison & Burke, 2000). If manipulated, manipulation of power would create discrimination (Kasimoglu & Halici, 2002). In this case, behavioural discrimination often practiced by top management to keep their leadership followed by employees with a pattern that is not fair.

### **Literature**

#### **Discrimination:**

Discrimination is one of the things that always emphasized in human resource management (Kasimoglu & Halici, 2002). Discrimination is a behaviour that can be seen in various aspects. According to Rupp & Cropanzano (2002), discrimination exists because of sharing power, income and satisfaction by excluding some groups in organization. Another form of discrimination is the exclusion of some groups in the sharing of power, satisfaction and revenue because of colour, sex, ethnicity, religion, ideology or physical abilities (Ferris & King, 1992).

In the organization, discrimination is considered as a threat to employees. This is because discrimination is a behavioural bias among employees in organization. Normally, discrimination behaviour occurs because of the influence of demographic factors such as race, gender and religion (King & Ahmad, 2010). In addition, the situation in the organization tends to discrimination, when there are differences in acceptance of the welfare of workers such as promotion, salary increment and performance appraisal (Rupp & Cropanzano (2002). According to King, Shapiro, Helb, Singletary and Turner (2006) have conceptualized discrimination into formal and interpersonal discrimination. Formal discrimination means biases prevented by laws or organizational policies. While, interpersonal discrimination is biases that tend to be non-verbal and covert. It is because interpersonal discrimination is not subject to the same regulations (Helb, Singletary & Turner, 2006). Interpersonal discrimination is more intangible; it involves the non-verbal, semi-verbal and even some of the verbal behaviours that occur in social interactions (Helb, Mannix, Foster, & Dovidio, 2002). Interpersonal discrimination always occurred among employees in a workplace. Therefore, the purpose of this study is to determine dimension of discrimination among Islamic financial based organization.

### ***Methodology***

In this study, quantitative approach was used because allows the relationship between the variables identified and tested. That approach was also used to receive variety of responses from a number of subjects participated in this study. Participants who were randomly selected from Islamic financial based organization for this study were 291 non-executive employees from all departments at Peninsular Malaysia. Each subject was sent instruction of the questionnaire describing this study, direction for completing the questionnaire. A total of 291 subjects responded to the survey. Of the 291 subjects, 171 (58.8%) were males while 120 (41.2%) were females. The status of sample was 236 (81.1%) married, 43 (14.8%) single, 7 (2.4%) widow, and 5 (1.7%) widower. For level of education background, 170 (58.4%) were SPM, 71 (24.4%) diploma, 42 (14.4%) bachelor, and 8 (2.7%) master degree.

### ***Discrimination measurement***

The discrimination of measurement was developed by Helb, Foster, Mannix and Dovidio (2002). To measure the effects of discrimination is seen in two dimensions, namely formal discrimination and interpersonal discrimination. Formal discrimination measured with four items, namely unwillingness to work, permission to complete a job application, call back work and permission to use bathroom. This measurement do not have results for reliability because of inconsistency results (Helb, King, Glick, Singletary & Kazama, 2007). Interpersonal discrimination measured with seventeen items helpful, standoffish, nervous, conversation, focus on that, eye contact, hostile, interested, how helpful, how cold, how interested, how nervous, how friendly, how hostile, how conversation, how relaxed, and how attentive (Helb et al. 2002). King, et al. (2006) reported Crobanch's Alpha of 0.80 for interpersonal discrimination. The scale consists of 21 items on a Likert-type scale ranging from 1 to 4.

### ***Analysis of Data***

The data collected for this study were analysed by using reliability test and factor analysis. Reliability test was used to see how far the scale is free from error and produces consistent results between multiple instruments of a variable (Gay & Diehl, 1996). Factor analysis was used to determine the dimensions of the variables (Coakes & Steed, 2010).

### ***Finding***

#### **Data Screening**

In this process reliability and normality of data are examined. In reliability analysis the researchers have removed four cases of permission to use, how relaxed, how nervous and helpful. The four cases were discarding in order to obtain a high reliability value. Therefore, reliability value of discrimination is  $\alpha = 0.701$ . In normality, Skewness and Kurtosis test should that the data is well inside  $\pm 1.96$ .

#### **Factor Analysis**

In factor analysis the researchers has tested KMO, Barlett, MSA and Partial Correlation. These tests have satisfied the requirement to pursue factor analysis. The KMO value should above 0.5, the Barlett test was significant at  $p < 0.05$ , MSA values are well above 0.5 and lastly partial correlation results should that all values were well below 0.7.

The factor analysis for discrimination has shown that the KMO value is 0.823. In addition, Barlett’s test has explained that discrimination in this study is significant at  $p < 0.05$ . In this study, five factors revealed in Eigen value score and cumulative total is 63.668% as shown in the Table 2.

**Table 2: Eigen Value of Discrimination**

Total Variance Explained									
Component	Initial Eigenvalues			Loadings			Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.564	26.849	26.849	4.564	26.849	26.849	3.373	19.841	19.841
2	2.936	17.272	44.121	2.936	17.272	44.121	2.246	13.210	33.051
3	1.311	7.710	51.832	1.311	7.710	51.832	1.988	11.697	44.748
4	1.061	6.242	58.074	1.061	6.242	58.074	1.904	11.202	55.951
5	.951	5.594	63.668	.951	5.594	63.668	1.312	7.717	63.668

Extraction Method: Principal Component Analysis.

Factor 1 consists of 5 items such as “I do not have a chance to communicate or make friends with the supervisor”, “I feel uncomfortable communicating with supervisor”, “Supervisor always busy to talk with me”, “My supervisor emphasizes of his/her duties compared with employees tasks” and “I do not have enough time to discuss with the supervisor”. Factor 4 comprise of 3 items such as “Supervisor and I have bad relationship” and “supervisor often hostile to me”. Factor 2, factor 3 and factor 5 has been discarded from analysis because of did not reach the reliability values.

**Table 3: Rotated Component Matrix for Discrimination**

Rotated Component Matrix <sup>a</sup>		
	Component	
	1	4
DISCI4	.806	.127
DISCI2	.777	.066
DISCI3	.672	.095
DISCI15	.667	.310
DISCI5	.622	.229
DISCI14	.102	.767
DISCI7	.459	.721
DISCI10	.496	.631

Table 3 has shown that Crobach Alpha value ( $\alpha$ ) for discrimination after factor analysis process. Factor 1 consists of 5 items which Crobach Alpha value is 0.799. Based on meaning of each item, researcher rename as alienation. Factor 4 consists of 4 items which Crobach Alpha is 0.751. Refer to meaning of items in factor 4, this factor has been named as victimization. Therefore, this study shows that there are two dimensions of discrimination in the Islamic financial based organization (Refer Table 4).

**Table 4: Reliability Test for Discrimination after Factor Analysis**

Discrimination	Cronbach Alpha ( $\alpha$ ) after factor analysis
Factor 1 (Alienation)	0.799
Factor 4 (Victimization)	0.751

**Discussion**

The researchers has been discussed the existence of dimension of discrimination against employees in Islamic financial based organization. This study found that there are two dimensions of discrimination is alienation and victimization. The behavior of the supervisor who always busy and not giving employees an opportunity to discuss about employment, it cause of employees feel that they are alienated in organization.

The alienation is likely to feel uncomfortable against employees because they cannot communicate with supervisor especially matters related to the work in organization. In this study has found that supervisors were concerned about his duties than the task of employees is one of the causes that led to alienation of discrimination in the workplace. This can be clearly seen when the supervisor's hard to make time for employees to discuss their work. Therefore, the alienation makes employees feel that they have been discriminated against by a supervisor.

In organizational contexts, alienation discrimination is considered a behavioral subtle discrimination such as violent behavior, less eye contact and less give a smile to employees at the workplace (Helb, et al. 2002).

It should be noted that this form of discrimination can lead to damage of relationship between employer and employees. In addition, the effect of this alienation would affect the stress and frustration for employees. This is because employees feel they are not addressed by supervisors, especially in matter of employment in the workplace. Victimization is the behavior that leads to negative relationship between the supervisor and employees in the workplace. Usually, the supervisor will create a strained of relationship with the employee in order to obtain the benefit of themselves such as always respected by employees and can influence employees in decision making. In this study, the researchers found that the supervisor and employees are often hostile in the workplace. This behavior performed by supervisor is to urge employees to fear and follow all directions given to them (Dovido & Gaertner, 1991). This is clearly seen that the employees became victims in order to achieve the interests of the supervisor in the workplace.

### **Conclusion**

This study has successfully explored and examined the form of discrimination against employees at Islamic financial based organization in Malaysia. The researchers found that two dimensions of discrimination such as alienation and victimization. Both of these dimensions affect the relationship between employees and employer. Therefore, the existence of these two dimensions will influence employee behavior either negative or positive in the workplace.

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