

## The Moderating Effect of Islamic Work Ethics on the Relationship Between Corporate Governance and Performance of Islamic Financial Institutions in Nigeria: A Proposed Framework

S. B. Adam\*

Islamic Business School, Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia

A. M. H. Al-Aidaros

Islamic Business School, Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia

S. B. Ishak

School of Accounting, Universiti Utara Malaysia, 06010 Sintok, Kedah, Malaysia

### Abstract

Although the important influence of IFIs on economic growth is acknowledged, yet the contribution of Nigeria's IFIs shows a gross underperformance. In addition, the practice of Islamic Finance is increasingly being viewed as not only serving as alternative for the Muslims but successful business practices around the world. Previous literature reveals that theoretical contributions in the area remained limited in the Nigerian, therefore, there is a need for more studies on corporate governance in the context of IFIs, especially in Nigeria, where IFI are considered as important financial institutions to the Muslims. Moreover, studies in Nigeria revealed absence of comprehensive framework for the Islamic finance industry. On the other hand, poor Islamic Work Ethics conquers a central position for the low performance of Nigerian IFIs. The paper presents a theoretical framework on the moderating effect of Islamic Work Ethics on the relationship between Islamic corporate Governance practices and the performance of Islamic Financial Institutions (IFIs) in Nigeria. If validated, the model would have policy implications to IFIs and other stakeholders in decision making.

**Keywords:** Islamic corporate governance; Islamic financial institutions; Performance; Islamic work ethics.



CC BY: [Creative Commons Attribution License 4.0](https://creativecommons.org/licenses/by/4.0/)

### 1. Introduction

This paper presents a theoretical framework on the influence of Islamic Corporate Governance on the performance of Islamic Financial Institutions (IFIs) in Nigeria with the moderating effect of Islamic work ethics. Over the last four decades, Islamic financial institutions have been in existence as an alternative system of financial inclusion to conventional financial institutions to operate in compliance with the *shariah* (Ben Selma *et al.*, 2014). IFIs operated to providing acceptable financial contracts religiously (Malkawi, 2014). It became the fastest growing sector in the industry globally because of recent growth and development. Financial crisis of 2008-09 led to increased growth in Islamic finance by 17% averagely (Ernst, 2016). It also resulted in the spread of Islamic financial institutions to Middle East, Asia, United Kingdom, Europe, North America and African region including Nigeria (Al-Shamrani, 2014; Fatai, 2012; Hussain *et al.*, 2016; Lawal, 2010). Referring to Khan (2010), there is presence of Islamic finance in over 70 both advanced and developing nations, and Elasrag (2014), stated over 700 Islamic Financial Institutions practice fully on *Shariah* basis while others operate full *shariah* base window within the conventional system.

However, IFIs are concentrated in emerging market such as Malaysia and Gulf Cooperation Council countries, Gelbard *et al.* (2014). Africa is ranked to be the second largest Muslim populated continent after Asia (Islamic Finance News, 2014). This recognition gives it an advantage as an appropriate market for Islamic finance. Major developments in Islamic finance include Nigeria's central bank issuing guidelines for the establishment of a centralized *shariah* authority, while Moroccan parliament has approved an Islamic finance bill for the operation of *shariah*-compliant banks, Kenya signed a memorandum of understanding with Qatar to assist establishment of Nairobi international finance center, Tanzania and Uganda has training arrangement with Malaysian INCEIF on Islamic finance. Furthermore, the West African Monetary Union intends to establish a francophone Islamic finance education center with Malaysian institution and with Egypt and Sudan already established the likes of Abu Dhabi Islamic banks (The Nation, 2016). These developments indicate the increased momentum behind Islamic finance in Africa.

Recognising the vital role played by IFIs in the global financial market, the industry put in place international regulatory agencies to monitor and guide its operations around the world, even though it is not easy to ensure standardization of Islamic products across diverse countries (Adebayo, 2011; Gelbard *et al.*, 2014). The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), based in Bahrain, regulates issues related to accounting, auditing, and corporate governance, whereas the Islamic Financial Services Board (IFSB), based in

Malaysia, is to oversee the standards for supervision and regulation (Global Banking & Finance Review, 2013). Despite this growth, however, IFI assets make up less than 1% of the world's financial assets. The catalytic roles of IFIs has been documented in other emerging countries, particularly Asian and other sub-Saharan African countries, however, little is written about its performance in the Nigerian context (Adebayo, 2011).

Corporate governance as the potential for IFI operation remains untapped in Nigeria, though it has tremendous prospects given the nations' demographic structure and opportunities for financial expansion (Bashir, 2012; CBN, 2015). Additionally, previous literature reveals that theoretical contributions in the area remained limited in the Nigerian (Adebayo, 2011). The limited theoretical contributions in this field of study have restricted awareness of Islamic finance which resulted in deficiency of information concerning their true nature as well as their governance in accordance with Islamic ethics (Adel and Mustafa, 2013; Bashir, 2012), hence leads to underperformance of the sector especially in the corporate governance. In view with this evidence, therefore, there is a need for more studies on corporate governance in the context of IFIs, especially in Nigeria, where IFI are considered as important financial institutions to the Muslims. Moreover, studies in Nigeria revealed absence of comprehensive framework for the Islamic finance industry (Fatai, 2012; Oladimeji *et al.*, 2015). The existence of gaps could also be due to absence of Islamic ethics and moral values relevant to Islamic financial transactions (Choudhury H. M., 2011). Previous studies that examined the direct relationship between corporate governance practices and organizations performance presented inconsistent findings (Abu-Tapanjeh, 2009; Al-Tamimi, 2012; Bukhari *et al.*, 2013; Ghayad, 2008). The inconsistent findings suggest that the relationship between corporate governance practices and performance of IFIs may be influenced by a moderating variable, in particular, Islamic work Ethics (Baron and Kenny, 1986). This serves as the major important gap in the literature.

Therefore, this current study addresses this important gap by proposing Islamic work ethics as potential moderator on the relationship between corporate governance practices, and the performance of IFIs in Nigeria. The researchers reviewed various related literature and came up with propose framework that is predicting this relationship.

## 2. Literature Review

### 2.1. Performance of Islamic Financial Institutions

Performance can be measured in terms of financial and non-financial parameters. Most often, performance of financial institutions is evaluated through the financial measures. Financial performance is understood to be performing financial activities. Broadly, it is the level at which the financial goals set are achieved (Tom and Biobebe, 2015). They further stated that it could also be a way of evaluating the organization's policies and operations in financial terms. It means, revealing the whole organization's wellbeing over time which can serve as yardstick to compare with other organizations within the same industry. Financial performance is a relevant component for organizations that are profit-oriented. It is typically measured through profitability, leverage, liquidity and growth. Islam encouraged participation in economic activities and earning income which is from allowed (*halal*) resources. From the Islamic perspective, the aim of engaging in financial activities is not just to gain profit in this world (*dunya*) for better living but it is an element of faith that could lead to success in the hereafter (*akhirah*) (Rahman *et al.*, 2006). Several studies (Bukair and Abdul Rahman, 2013; Nor, 2012; Zulkifli and Saripuddin, 2015) provide yardstick to measure performance of organization or its employees according to the teachings of Islam. Zulkifli and Saripuddin (2015) stated performance measurements as sincere intention, avoidance of business with usury, avoidance of fraudulent element in financial contracts, justice and trust as the required regulations and business ethics in line with *Quranic* provisions.

In Nigeria, performance of Islamic financial institutions can be viewed from the non-interest banking sector perspective as the dominating and long existing Islamic financial institutions in Nigeria. Assessing its performance could provide a yardstick for other non-interest financial institutions that have started making input to the economic development of Nigeria. The post banking consolidation period in Nigeria stirred the government to develop a strong enthusiasm for banks to join global trend, raising the prospects of close partnership and connections with global financial institutions providing non-interest financial services (Sanusi, 2011). This open several opportunities to Islamic financial institutions in Nigeria to provide *shariah* compliant modes of financing. There is increased interest for ethical products and services and investment from Muslims and Non-Muslims which IFIs are deemed compatible to such ethical and beliefs orientation (Orisankoko, 2010). Stakeholders and other interested parties are always in the quest to know the financial position of the firm and its financial performance over time. Therefore, study on performance of organizations is of continues relevance in the global trend.

### 2.2. Concept of Corporate Governance

Corporate governance is a research area that continues to attract interest due to its complex nature in addressing corporate issues that existed since the time of Adam Smith (Smith, 1776). According to Tosuni (2013), the meeting of the G7 leaders after the Asian financial crisis and the Russian debt of 1998, corporate governance and incentives became a top priority to organization of economic cooperation development. Corporate was defined by the Oxford English Dictionary (1989) to mean "group of people authorized to act as one and to be considered in law as a single entity". From the legal perspective, it is regarded as "an artificial legal individual created by law and under the authority of law of a nation" (Black's Law Dictionary, 2009). Both definitions gave the understanding that corporate is a representation of group of people coming under one single entity to achieve some objectives set. Governance as defined by the Oxford English Dictionary (1989), means "any act or matter of governing". This can be widened to

mean the style or manner through which corporation, organization or institution is guided, directed and controlled. Corporate governance can be understood to mean the relationship network that exists in an organizational set up involving employees, management, shareholders, community and environment for a purpose. It is also seen as that governance that deals with the mechanisms by which stakeholders of a corporation exercise control over corporate insiders and management such that their interests are protected” (John and Senbet, 1998).

However, from Islamic perspective, corporate governance was first discussed in Chapra M. U. (1992). In view of this, Chapra M. U. (1992) outlined the main element of framework for corporate governance as *shariah* board (SSB) with its internal controls. The Accounting and Auditing Organization for Islamic financial institutions (AAOIFI Bahrain, 2010) and Islamic Financial Services Board (IFSB, 2009) provided *shariah* governance guidelines to be complied by IFIs in addition to conventional corporate governance guidelines. Corporate governance has been defined from the Islamic perspective by regulatory bodies such as IFSB, AAOIFI and scholars like Choudhury and Hoque (2006) who define and re-define the concept.

According to (IFSB-3), corporate governance in the Islamic context is “a set of relationships between a company’s management, its board of directors, its shareholders and other stakeholders which provide the structure through which the objectives of the company are set, and the means of attaining those objectives and monitoring performance are determined” (IFSB, 2006). Therefore, IFSB is relevant in enhancing the level of corporate governance in Islamic financial institutions (Aziz, 2006).

Another definition of corporate governance of Islamic financial institutions is given by Choudhury and Hoque (2006) as “a set of organizational arrangements as to how a corporation is directed, managed, governed and controlled, which provides the governance structure through which all stakeholders’ interests are protected, the company’s objectives are achieved, social responsibility is upheld and the principles of *shariah* are complied with”. There is no doubt corporate governance uphold the principles of accountability, fairness, transparency and justice. As such, to differentiate its values and features from its western counterpart, then the need to further strengthen the understanding of these values and features.

The divine values of Islam are found in the *Qur’an* and *Hadith* which has importantly affected the Muslims way of life. Furthermore, the economic and business activities of the Muslims make it relevant to adapt to Islamic banking and finance practice (Othman *et al.*, 2012).

### 2.3. Components of Islamic Corporate Governance

This study will adopt with amendments the components of corporate governance from the studies of Safiedine (2009); Bukair and Abdul Rahman (2013); Abdel Baki and Leone Sciabolazza (2014); and Samra (2016). Therefore, the components of corporate governance are as follows:

#### 2.3.1. Board of Directors (BOD)

The board of directors is an essential internal governance mechanism of IFIs. Organizations need strong board containing capable directors to work towards achieving high performance. Several studies found positive relationship between BOD and performance of organizations (Abdel Baki and Leone Sciabolazza, 2014; Al-Tamimi, 2012; Chapra and Ahmed, 2002; Matoosi and Grassa, 2014; Safiedine, 2009; Salin *et al.*, 2012). Board of directors played the role of setting and approval of organization’s policies and strategies to monitor progress towards achieving corporate goals (Safiedine, 2009).

#### 2.3.2. Disclosure and Transparency Requirements

Samra (2016), modified and extend the components of corporate governance to include disclosure and transparency requirements, accountability of board members, responsibilities and expectations of board members, internal and external mechanisms for compliance. Moreover, previous study by Al-Tamimi (2012); Bukhari *et al.* (2013) showed a significant positive relationship between disclosure and transparency in corporate governance practice.

#### 2.3.3. Shariah Supervisory Board

The *shariah* supervisory board, mostly referred to as (SSB) in IFIs, are representatives responsible for *shariah* supervision of the institutions which is a function of corporate governance. Studies Bukhari *et al.* (2013); Samra (2016) considered accountability as a role to *shariah* supervisory board. They also set *shariah*-related rules and policies and approve *shariah* compatibility of all products to ensure compliance (Safiedine, 2009).

#### 2.3.4. Audit

This unit is responsible for both internal and external review systems of the organization. It ensures policies set by the board are properly followed by management and ensure the accuracy and quality of information disclosed to assist review of financial report (Safiedine, 2009). Audit is considered among core components of corporate governance (Bukair and Abdul Rahman, 2013).

#### 2.3.5. Investment Account Holders (IAHs)

The accounting and auditing organization for IFIs (AAOIFI) and the Islamic finance supervisory board require that IFIs should be transparent in disclosing the appropriate returns on IAH, shareholder’s fund and also the bases and percentages allocated to expenses, assets and profits to allow them know the performance of their investments

(Safiedine, 2009). It was found that positive relationship exist between IAH and performance of organization (Bukhari *et al.*, 2013).

## 2.4. Islamic Corporate Governance and Performance

Studies on the *shariah* governance of Islamic financial institutions are very few due to lack of research and as such resulted in scanty literature on the real practice of *shariah* practice (Alnaseer and Muhammed, 2012).

Past studies on *shariah* governance is mostly limited to theoretical aspects on Islamic banks (Choudhury and Hoque, 2006; Grais and Pellegrini, 2006; Hasan, 2011). Furthermore, most studies cover different countries. Al-Aidaros (2012) for instance found developing an ethical code of conduct for Yemen professional Accountants a relevant guidance in making moral decisions from Islamic context and suggested further studies on Islamic ethics. Mollah and Zaman (2015), studied 86 Islamic banks of 25 different countries, though they comprised of few conventional banks, it found a significant positive relationship of *shariah* supervisory board and Islamic bank performance while a negative relationship with board structure. Hasan (2011), centered on Malaysia, GCC countries (Kuwait, Bahrain, UAE, Qatar, Saudi Arabia and U.K), considering *shariah* governance approach, regulatory framework and bye-law, rules of *shariah* board, attributes of *shariah* board in terms of independence, competence, transparency and confidentiality, Operational procedure, *shariah* board assessment and disclosure practice as elements of corporate governance and the study found short coming and weaknesses in the practice of *Shariah* governance in all the seven areas.

Later, studies conducted on Islamic corporate governance were mostly focused on its practice in Islamic banks in relation to performance (Abu-Tapanjeh, 2009; Ghayad, 2008). Mostly these studies are limited to banking industry of other jurisdictions and not Nigeria. The components of corporate governance were viewed from different angles by several researchers. Safiedine (2009), considered board of directors, *shariah* supervisory board, internal control, internal audit, external audit, audit committee, compensation committee and nomination committee while (Abdel Baki and Leone Sciabolazza, 2014), a conceptual study using a multiple regression analysis, considered board of directors, ownership and control, compensation schemes, governance teams and equity, found inconsistent results, positive relationship between corporate governance and financial performance index while misalignment was found with directors compensation. Samra (2016), a conceptual paper too, modified and extend the components to include disclosure and transparency requirements, accountability of board members, responsibilities and expectations of board members, internal and external mechanisms for compliance. The performance of Islamic banks will normally be affected when there is financial distress in the financial system, as such a study Al-Tamimi (2012) with a 5-point scale, examined the effect of corporate governance on performance and financial distress in UAE in two parts relating to disclosure and transparency, compensation of executive, board of directors, interest of shareholders and stakeholders, policies and compliance with bank's corporate governance to performance.

From the reviewed literature, the relationship between corporate governance and performance of financial institutions is either positive (Al-Tamimi, 2012; Matoosi and Grassa, 2014), negative (Magalhaes and Al-Saad, 2013) or neutral (Ahmed *et al.*, 2016; Bukhari *et al.*, 2013; Hasan, 2011; Mollah and Zaman, 2015) were obtained showing inconsistencies in the results that clearly suggests the inclusion of a moderating variable. This study will consider researchers little attention to the application of Islamic work ethics as moderating variable. Therefore, in view of the above literature, this study proposed the following hypothesis:

**H1:** There is significant relationship between corporate governance practices and the performance of IFIs.

## 2.5 Islamic Work Ethics as a Potential Moderator

Nwagboso (2008), viewed ethics not from individual life perspective but as a yardstick to judge what is suppose and to be. This is a western perspective, as such limited and lack Islamic content. Dean (1992), outlined principles of virtue ethics for financial practitioners to include:

1. Due care and concern for others in professional activities.
2. Respect where appropriate, confidentiality.
3. Fidelity to special responsibilities.
4. Avoidance of conflict of interest
5. Willing compliance with the law
6. Acting in good faith during negotiations.
7. Respect for human well-being.
8. Respect for liberty and constitutional rights of others. He opined that these principles can be adopted or adapted to Islamic financial institutions because reflect the four Islamic ethical principles of internal good (*khayr*), moral judgement (*maqasid Shariah*), moral exemplar (*uswatunhasana*) and community of practice (*ummatankhayr*).

Ethics is also viewed as business ethics (Zulkifli and Saripuddin, 2015). Al-Aidaros (2012), argued that concept of ethics goes beyond the western understanding but from the Islamic view point which are referred to as *ma'ruf* (approved), *khayr* (goodness), *haqq* (truth and right), *birr* (righteousness), *qist* (equity), *adl* (equilibrium and justice), and *taqwa* (piety). Therefore, ethics relates to Iman, an Islamic power that shapes and protect ethical conduct (Yaken, 2006). In another view, *akhlaq* means ethics, also means good character, as such Hashi (2011), defines Islamic ethics (*akhlaq*) as "those universal standards of right and wrong that prescribe what humans *ought to do* as taught by the *Quran* and demonstrated in the exemplary life (actions and words) of the Prophet (*s.a.w*)" and concludes that ethics (*akhlaq*) referred to virtuous deeds (*amalsalih*). Ali and Owaihan (2008), reviewed the pillars and foundation of IWEs and found the economic and social dimensions of IWEs from early generations of Muslims



based on *Quran* and *Sunnah* and proposed IWEs in business and management as conducive for a financial market based on justice and fair competition. While a study by Khan *et al.* (2010) developed a conceptual framework for Human Resource Management from the Islamic perspective incorporating Islam and work, Islam and human resource management practices such that the presence of Islamic culture in organization result in peace and closeness to Allah. They found that material accumulation is only temporary while good behavior and doing right stayed forever. Therefore, Islamic work ethics deals with expectation of an individual relation in relation to his behaviors such as effort, dedication, cooperation, responsibility, social engagement and innovation at work (Rahman *et al.*, 2006). The teachings and values that shape individual's ethical actions have been made clear by the religion on doing what is right or wrong (Parboteeah *et al.*, 2007). Ali and Owaihan (2008), defined Islamic work ethics "as a guideline to believers of Islam which influence and tells them how to participate and get involved in their work place".

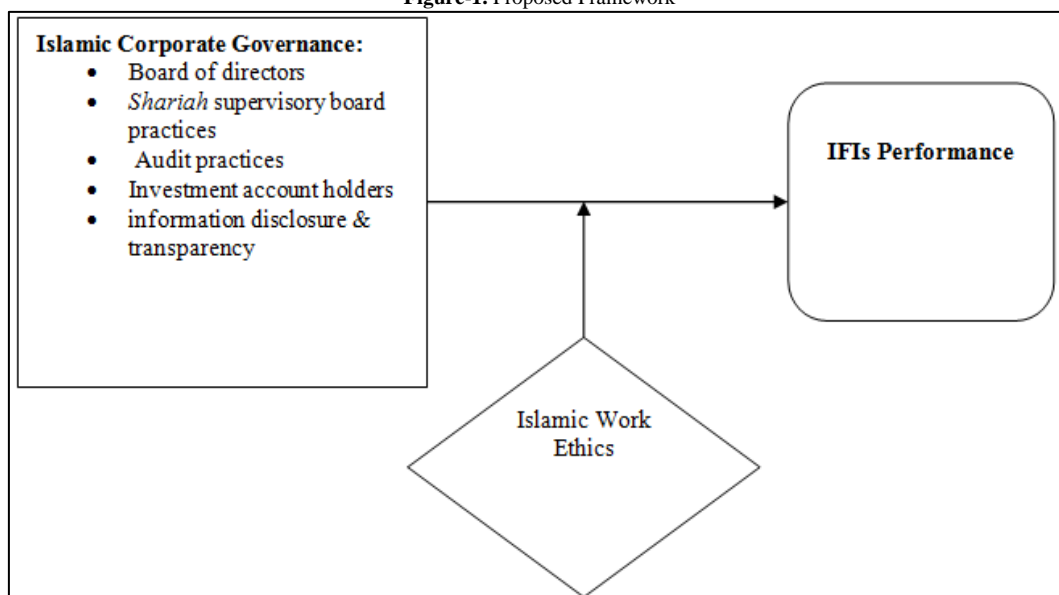
Studies shows IWEs are linked to several individual and organizational outcomes as such very broad. Islam emphasized on conducting any financial activity under code of ethics such as trust, justice, honesty, mutual respect and others called ethics. Past studies have assessed Islamic work ethics but not in the context of corporate governance practice and it include (scale development, (Ali, 1988) Business (Ali and Al-Kazemi, 2007; Rice, 1999; Yousef, 2000;2001). Shafique *et al.* (2015), further studied the influence of Islamic Work and Ethics on Job Satisfaction and organization commitment. The relationship between IWEs and innovation capability with sharing knowledge as moderator revealed a positive relationship among all the variables, with a sample of 150 through non-probability sampling of public sector workers in Pakistan and using a 5-point scale, SPSS was used for data analysis (Awan and Akram, 2012). Yesil *et al.* (2012), investigates the implication of IWEs on performance of companies in Turkey with 300 sample, on a 5-point scale, using SPSS to analyze data found positive influence of IWEs on firm performance. The study called for further research mediating with commitment and organizational citizenship. IWEs is related to learning and innovation that could affect positively the performance of firms, with 240 employees of service firms as sample, data was analyzed with SPSS (Abbasi *et al.*, 2012). A study of 472 Malaysian public servant using convenience method and a 5-point scale, revealed positive relation between IWEs and innovation capability and suggested further studies on IWEs to enhance performance (Kumar and Rose, 2010). Furthermore, most of the studies on IWEs is either on relationship to job satisfaction or organizational commitments or both. For instance, Marri *et al.* (2012) use a sample of 397 in Pakistan, found positive relationship between IWEs, organizational commitment and job satisfaction. Komari and Djafar (2013) also showed a positive relationship between ethics and work satisfaction and organizational commitment. While, Ali and Al-Kazemi (2007) believes work ethics further creates organizational value, loyalty and profitability with a 5-point scale and one-way multivariate analysis in Kuwait. The relationship between corporate governance and the performance of IFIs is an indispensable unresolved subject. However, one prominent element that can improve IFIs abilities to increase performance and survival is the IFIs ability to exploit their available financial and non-financial resources. Therefore, the relationship between corporate governance and the performance of IFIs will be stronger if the IFIs has effective Islamic work ethics. Hence, in line with the above argument, this study proposes the following hypothesis:

**H2:** Islamic work ethics moderate the relationship between corporate governance practices and the performance of IFIs.

## 2.6 Conceptual Framework

The research framework has independent variables that will represent the components of corporate governance namely board of directors, *shariah* supervisory board practices, audit practices, investment account holders, and information disclosure & transparency. IFIs performance is the dependent variable, while Islamic Work Ethics is the moderating variable.

Figure-1. Proposed Framework



### 3. Conclusion

The purpose of this research is to review the relevant literature and highlight the need to consider the moderating role of Islamic Work Ethics on the relationship between corporate governance and IFIs performance as depicted in Figure 1. If the model is validated empirically, the finding will offer an important insight to practitioners and other stake holders into the significant role of Islamic Work Ethics on effective performance increase. The study will also benefit the academia by introducing the moderating variable to the model which has not been considered by the previous studies. This study suggested for further studies to validate the propose framework of this study empirically.

### References

- AAOIFI Bahrain (2010). AAOIF Accounting, Auditing and governance standards for Islamic financial institutions.
- Abbasi, A. S., Ghulam, M. M. and Muzammil, H. (2012). Islamic work ethics, How they affect organizational learning, Innovation and performance, Actual problem of Economics. *APE, ISI Indexed Impact Factor Journal*, (2012):
- Abdel Baki, M. and Leone Sciabolazza, V. A. (2014). Consensus-based corporate governance paradigm for Islamic banks. *Qualitative Research in Financial Markets*, 6S(1): 93-108.
- Abu-Tapanjeh, A. M. (2009). Corporate governance from the Islamic perspective, A comparative analysis with OECD principles. *Critical Perspectives on Accounting*, 20(5): 156-67.
- Adebayo, R. I. (2011). A study of the legal and regulatory issues of non-interest banking system in Nigeria. *Journal of Islamic Banking and Finance*, 28(1):
- Adel, M. S. and Mustafa, M. H. (2013). Adoption of AAOIFI accounting standards by Islamic banks of Bahrain. *Journal of Financial reporting and Accounting*, 11(2): 131-42.
- Ahmed, S., Ullah, G. M. W., Ahmed, S. P. and Rahman, A. (2016). An empirical study on corporate governance and Islamic banks performance, A case study of Bangladesh. *Journal of Finance and Banking studies*, 5(4): 103-16.
- Al-Aidaros, A. H. M. H. (2012). The Accountant's ethical code of conduct and moral reasoning from an Islamic environment, Case in Yemen, PhD dissertation.
- Al-Shamrani, A. S. (2014). Islamic financial contracting forms in Saudi Arabia: Law and practice.
- Al-Tamimi, H. A. H. (2012). The effects of corporate governance on performance and financial distress. *Journal of Financial Regulation and Compliance*, 20(2): 169.
- Ali, A. (1988). Scaling an Islamic work ethic. *Journal of Social Psychology*, 128(5): 575.
- Ali, A. and Al-Kazemi, A. A. (2007). Islamic work ethics in kuwait cross cultural management. *An International Journal*, 14(2): 93-104.
- Ali, A. and Owaihan, A. A. (2008). Islamic work ethics, Acritical review, A cross cultural management. *An International Journal*, 15(1): 5-19.
- Alnaseer, S. A. S. and Muhammed, J. (2012). Introduction to corporate governance from Islamic perspective. *Humanomics*, 28(3): 220-31.
- Awan, K. Z. and Akram, M. (2012). The relationship between islamic work ethics and innovation capability and knowledge sharing plays moderation role. *International Journal of Economics and Management Sciences*, 1(8): 3.
- Aziz, Z. A. (2006). *Islamic Banking and Finance progress and prospects collected speeches, 2000-2006*. 2nd edn: Bank Negara Malaysia: Kuala Lumpur.
- Baron, R. M. and Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research, Conceptual strategic and statistical consideration. *Journal of Personality and Social Psychology*, 15: 1173-82.
- Bashir, A. U. (2012). Regulatory and legal framework for Non-Interest Finance in Nigeria.
- Ben Selma, M. R., Echchabi, A., Azouzi, D. and Rachdi, H. (2014). Risk management tools practiced in Islamic banks, Evidence in MENA region. *Journal of Islamic Accounting and Business Research*, 5(1): 77-97.
- Black's Law Dictionary (2009). 9th edn: Sweet and Maxwell: London.
- Bukair, A. A. and Abdul Rahman, A. (2013). Bank performance and board of directors attributes by Islamic banks. *International Journal of Islamic and Middle Eastern Finance and Management*, 8(3): 291-309.
- Bukhari, K. S., Awan, H. M. and Ahamed, F. (2013). An evaluation of corporate governance practices of Islamic banks versus Islamic windows of conventional banks, A case of Pakistan. *Management Research Review*, 36: 400-16.
- CBN (2015). Central bank of Nigeria framework for the regulation and supervision of institution offering non-interest financial services in Nigeria. Available: [www.cbn.gov.ng](http://www.cbn.gov.ng)
- Chapra and Ahmed, H. (2002). *Corporate governance for Islamic financial institutions. Occasional paper No.6, Islamic research and training institute*. Islamic development bank Jeddah: Saudi Arabia.
- Chapra, M. U. (1992). *Islam and the Economic challenge*. The Islamic Foundation, Leichester, IIIT publishers: U. K.
- Choudhury and Hoque, M. Z. (2006). Corporate Governance in Islamic perspective. *Corporate Governance*, 6(2): 116-28.
- Choudhury, H. M. (2011). Ethical issues as competitive advantage for bank management. *Humanomics*, 27(2): 109-20.
- Dean, P. I. (1992). Making code of ethics real. *Journal of Business Ethics*, 4(8): 285-90.

- Elasrag, H. M. P. R. A. (2014). Corporate governance in Islamic Finance, Basic concepts and issues. Available: [http://mpira.ub.uni-muenchen.de/56872/\(2014](http://mpira.ub.uni-muenchen.de/56872/(2014)
- Ernst, Y. s. (2016). World Islamic banking competitiveness Report 2.
- Fatai, B. O. (2012). Can Islamic banking work in Nigeria. *Journal of Sustainable Development in Africa*, 14(2): 25-40.
- Gelbard, E., Hussain, M., Maino, R., Mu, Y. and Yehoue, E. B. (2014). Islamic Finance in Sub-Saharan Africa, Status and prospects. *SSRN Electronic Journal*:
- Ghayad, R. (2008). Corporate governance and the global performance of Islamic banks. *Humanomics*, 24(3): 207-16.
- Global Banking & Finance Review (2013).
- Grais, W. and Pellegrini, M. (2006). Corporate governance and shariah compliance in institutions offering Islamic financial services. World Policy Research Working Paper No. 4054.
- Hasan, Z. A. (2011). Survey on shariah governance practices in Malaysia, GCC Countries and the UK. *International Journal of Islamic and Middle Eastern Finance Management*, 4(1): 30-51.
- Hashi, A. A. (2011). Islamic ethics, An outline of its principles and scope. *Revelation and Science*, 1(3): 122-30.
- Hussain, M., Shahmoradi, A. and Turk, R. (2016). An overview of Islamic Finance. *Journal of International Commercial*:
- IFSB (2006). IFSB-3 guiding principles on corporate governance for institutions other than insurance institutions offering only Islamic financial services. *Islamic Financial Service Board*, (December):
- IFSB (2009). Guiding principles on Shariah governance systems for institutions offering Islamic financial services, IFSB.
- Islamic Finance News (2014). IFN deals for the year 2013, Results. Available: [www.islamicfinancenews.com](http://www.islamicfinancenews.com)
- John, K. and Senbet, L. (1998). Corporate Governance and Board effectiveness. *Journal of Banking and Finance*, 22(4): 371-403.
- Khan (2010). How Islamic is Islamic Banking? *Journal of Economic Behavior & Organization*, 76(3): 805–20.
- Khan, Farooq, A. and Hussain (2010). Human resource management, An Islamic perspective. *Asia-Pacific Journal of Business Administration*, 2(1): 17-34.
- Komari, N. and Djafar, F. (2013). Work ethics, Work satisfaction and organizational commitment at the shariah bank, Indonesia. *International Business Research*, 6(12):
- Kumar, N. and Rose, R. C. (2010). Examining the link between Islamic work ethics and innovation capability. *Journal of Management Development*, 29(1): 79-93.
- Lawal, Y. O. (2010). Islamic Economics the cornerstone of Islamic banking. *Journal of Economics and Engineering*, 4(1): 5.
- Magalhaes, R. and Al-Saad, S. (2013). Corporate governance in Islamic financial institutions, The issues surrounding unrestricted investment account holders. *The International Journal of Business in Society*, 13(1): 39-57.
- Malkawi, B. H. (2014). Financial derivatives between Western legal tradition and Islamic finance, A comparative approach. *Journal of Banking Regulation*, 15(1): 41–55.
- Marri, M. Y. K., Sadozi, A. M., Zaman, H. M. F. and Ramay, M. I. (2012). The impact of Islamic work ethics on job satisfaction and organizational commitment, A study of agricultural sector of Pakistan. *International Journal of Business and Behavioral Sciences*, 2(12): 32-44.
- Matoosi, H. and Grassa, R. (2014). Is corporate governance difficult for Islamic banks? *International journal of Business Governance and Ethics*, 9(1): 27-51.
- Mollah, S. and Zaman, M. (2015). Shariah supervision, Corporate governance and performance, Conventional Vs Islamic banks. *Journal of Banking and Finance*:
- Nor, H. O. (2012). *Ethics and values in Business for Muslim*. University Kebangsaan: Malaysia.
- Nwagboso, J. (2008). Professional ethics, Skill and standards. *Inspirationz Media, Jos*:
- Oladimeji, M. A., Ab. Aziz, M. R. and Khairi, K. F. (2015). Regulatory and supervisory Shariah Governance of Islamic banking system, Comparative analysis of Malaysia and Nigeria. *Journal of Islamic Law and Judiciary*, 1(4): 72-90.
- Orisankoko, S. A. (2010). The propagation of Non-interest Banking in Nigeria, An appraisal of the ideological Risk. *Journal of Islamic Economic, Banking and Finance*, 7(2):
- Othman, R., Aris, N. A., Azli, R. M. and Arshad, R. (2012). Islamic banking, The firewall against the global financial crisis. *Journal of Applied Business Research*, 28(1): 9.
- Oxford English Dictionary (1989). 2nd edn: Oxford University Press: Oxford.
- Parboteeah, K. P., Hoegl, M. and Cullen, J. B. (2007). Ethics and religion, An empirical test of a multidimensional model. *Journal of Business Ethics*, 80(2): 387-98.
- Rahman, A., Muhamad, N. and Othman, A. S. (2006). The relationship of Islamic work ethics and organizational commitment, A case analysis. *Malaysian Management Review*, 41(1): 79-89.
- Rice, G. (1999). Islamic ethics and the implication for business. *Journal of Business Ethics*, 18(4): 345-58.
- Safiedine, A. (2009). Islamic financial institutions and corporate governance, New insights for agency theory. *Corporate Governance, An international Review*, 17: 142-58.
- Salin, A. S. A. P., Kamaludin, N., Manan, S. K. A. and Ghafar, M. S. A. (2012). Director's Islamic code of ethics. *World Academy of Science, Engineering and Technology*, 64(1): 680-82.
- Samra, E. (2016). *corporate governance in Islamic financial institutions*. University of Chicago law School: Chicago.

- Sanusi, L. S. (2011). *Islamic Finance in Nigerian, Issues and challenges. Lectures delivered at Mark field Institute of Higher Education MIHE*. Leicester: United Kingdom.
- Shafique, M. N., Haseeb, M., Ahmad, N., Khurshid, M. and Ahmad, H. (2015). The influence of Islamic work and ethics on job satisfaction and organization commitment. *Journal of Marketing and Consumer Research*, 14: 23-28.
- Smith, A. (1776). *The wealth of Nations. Edited by Edwin Cannan, 1904. Reprint edition, 1937*. Modern Library: New York.
- The Nation (2016). Nigeria national newspaper: Nigeria.
- Tom, E. E. and Biobebe, B. S. (2015). Business ethics and performance of service firms in Calabar, Cross Rivers State, Nigeria. *European Journal of Hospitality and Tourism Research*, 3(2): 28-38.
- Tosuni, G. (2013). The impact of corporate governance on the performance of financial institutions.
- Yaken (2006). *What is the meaning of my belong to Islam*. Al-Ressalh Publication: Lebanon, Beirut.
- Yesil, S., Sakkeli, Z. H. and Dogan, O. (2012). An investigation into the implication of Islamic work ethics IWEs in the work place. *Journal of Economics and Behavioral studies*, 4(11): 612-24.
- Yousef, D. (2000). The Islamic work ethics as a moderator of the relationship between focus of control, Role conflict and role ambiguity. A study in an Islamic country setting. *Journal of Managerial Psychology*, 15(4): 283-302.
- Yousef, D. (2001). Islamic work ethics, A moderator between organizational commitment and job satisfaction in a cross-cultural context. *Personal Review*, 30(2): 152-69.
- Zulkifli, M. and Saripuddin, O. A. S. (2015). Concept of business ethics in Islam, Approach to the entrepreneur. *Journal of Asian Business Strategy*, 5(1): 13-18.