

# **Analysis of Demographics to Quality of CIO, Ethical Climate, Level of Ethics and Integrity and Organizational Commitment in the Malaysia Public Sector**

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*Abstract*— This paper provides a descriptive analysis of climate, quality of CIO and organizational commitment in the public sector. Age, gender, educational level, having a professional certificate and heading the integrity unit are the demographics variables examined in this study. These variables, using chi square analysis were examine to see if they have a significant relationship with ethical climate, organizational commitment and quality of CIO. It was found that age (younger), gender (female) as integrity officers were significantly related to organizational commitment. Head of integrity units were also found significant to be a quality CIO as compared to integrity officers who are not heading a unit. However, none of the demographics variables were found to have a significant relationship with ethical climate. It is recommended that the public sector need to retain older officers and recruit female integrity officers if they would like their integrity officers to stay longer in the organization. Another recommendation is to have a CIO who heads the integrity units rather than not heading one as they portray a higher competence, independence and perform work as required of them.

*Keywords*— *Quality of CIO; Ethical Climate; Organizational Commitment*

## **1. INTRODUCTION**

The effectiveness of the implementation of ethics and integrity is very important in reducing the ethical scandal such as corruption, bribery, fraud, governance inefficiency and poor internal control. If these issues are not monitored, the results could be worse on the government organization in Malaysia. [1]. Thus, ethics and integrity are two essential components of good corporate governance. Good governance refers not only to integrity, but also to efficient management of public resources and, for some commentators, to adequate public participation in decision-making. Ethics involved individual, organizations, and

professional ethics. On the other hand, integrity involves individual, organizations and persons holding public office [2]. Meanwhile, integrity should be fully demonstrated to individuals and organizations that play an important role in helping to mobilize the Malaysian economy to a high-income economy [3]. Integrity is a major theme in the literature of social science, especially in organizational and ethical behavior and usually refer to characteristics that only human can have [4]. Therefore, government Malaysia need to build a service servant that has moral and integrity is vital to achieve high income economy status as well as maintaining and sustaining the country's economy.

Public sector plays an important role in Malaysia. Previously, Malaysian public sector was known as the Malaysian Civil Services (MSC). It is structured into three tier level which are the Federal, State and Local Government [5]. Now, Public sector is defined as all organizations which are not privately owned and operated, but which are created, managed and financed by the government on behalf of the public. Another definition is a political organization set up with the power to direct, regulate and control the citizen's activities to enable them to live together harmoniously and constructively, and to solve their common problems more energetically and effectively. Public sector's contribution is very important in terms of a country's development. Besides working under a strict governmental constitution, regulations, procedures and budget they need to play their traditional roles and at the same time achieve their ultimate goal; fulfill the legality and discharge their accountability [6]. It is crucial for the public sector i.e. the government to be held responsible for transparency and accountability. Also, it is important to note that the public sector is diverse in nature. Whereby, Article 132 (1) of the Constitution of Malaysia specifies the composition of the public sector as encompassing the education services, the police service, the Federation's general public services, the public services of each state and the federal-state joint public services as mentioned by Article 133 or a total of 1.6 million public official [7].

Corruption, bribery and fraud is not a recent phenomenon in Malaysia. The issue of unethical and lack of integrity has become a hot topic and critical issue for the public sector especially in the Malaysia. Therefore, government has viewed this issue seriously. Recently, there are many issues pertaining ethical issues in project procurement which is one of important areas in project management. In Malaysia research has shown the effect of unethical behavior in construction industry. It was found that unethical conducts exist among the construction players, and the client which includes the public sector. Thus, it is important to understand and investigate the factors that contribute to unethical conduct. Only when the reasons are known, can these problems be overcome. Table 1 shows the factors that contribute to unethical behavior in project procurement in the public sector, ranked in terms of frequency [8].

Table 1: Ranking of unethical conducts by construction players in Malaysia

Rank	Unethical Conduct
1	Under bidding, Bid Shopping, Bidd Cutting
2	Bribery, Corruption
3	Negligence
4	Front loading Claims game
5	Payment Game
6	Unfair & Dishonest Conduct, Fraud
7	Collusion
8	Conflict of Interest
9	Change order game
10	Cover pricing, withdrawal of tender
11	Compensation of tendering cost

The Malaysian government has emphasized that the public sector in Malaysia needs to be effective, efficient and ingrained with the highest level of ethics and integrity. In an effort to eradicate corruption in organization, the Malaysian government has established the Malaysian Anti-Corruption Commission (MACC), Malaysian Institute of Integrity (IIM), National Integrity Plan (NIP), National Key Result Areas (NKRA), Certified of Integrity Officer Programme under Malaysia Anti-Corruption Malaysia Academy (MACA) to foster integrity and prevent corruption in the public sector. With presence of integrity, it would provide a level playing field for businesses to prosper in Malaysia and more importantly, public trust can be gained. This paper will examine the relationship between gender, race, age, education level, having professional certification, whether one is head of integrity unit to quality of CIO, ethical climate, level of ethics and integrity, and organizational commitment in the public sector.

## 2. LITERATURE REVIEW

### A. Quality of CIO

Chief Integrity Officer is known by various names such as Ethics and Compliance Officer (ECO), Compliance Officer (CO), Ethics Ambassador, Ethics Officer and Chief Ethics Officer According to Circular No.6 2013, the term CeIO (Certified of Integrity Officer) was introduced to indicate an initiative undertaken by the Malaysia Anti-Corruption Academy to require all integrity officers to take up an examination offered by it. This is to prepare them to be better equipped with the knowledge required to handle integrity related issues in the public sector. Their tasks were specified clearer [9]. In this study, quality of CIOs comprises of independence, work performance and competence”.

## *B. Ethical Climate*

Ethical climate is defined as “the shared perception of what correct behavior, and how ethical situations should be handled in an organization”. Thus, implementing ethical climate can help to resolve the issue related to unethical behavioral practices in organization and of culture of an organization is the share understanding about what correct behavior is [10]. It is important to note that many types of climates exist within organizational framework; climates for safety compliance, community service, and innovation are just a few that have been researched. Researchers have proposed that ethical climate plays various roles in an organization [11] [12]. For instance, ethical climate can discourage employees from engaging in unethical behavior [12] [13]. Conversely, an ethical climate can encourage employees to act in accordance with ethical standards, because an ethical climate provides an important signal to employees as to which behaviors are acceptable or not in organization. Organizations with an ethical climate are likely to make best their effort to encourage their employees to behave ethically in order to maintain an ethical reputation [14]

## *C. Organizational Commitment.*

In organizational sciences literature, organizational commitment is one of the most popular attitudes discussed. Organizational commitment antecedents and consequences have been studied for many years in management and organizational psychology research. Especially in today's competitive marketplace, organizational commitment is an intriguing topic. In recent years employees' physical, administrative and temporal attachments to organizations have weakened. Employees are more mobile and less dependent on their organizations [15]. Organizational commitment construct is multi-dimensional in nature and includes employee loyalty, willingness to put efforts, maintaining relationship and goal and value congruency [16]. Previous research has revealed that age is positively related to organizational commitment. Research on job satisfaction has also found the impact of personal and demographic attributes of the employees on their organizational attitudes like organizational commitment [17]. Organizational commitment has also been shown to be related to individual features such as gender, tenure, income, and marital status; or to some organizational variables like organizational culture and values, and organizational size. There are also many studies that have examined the effects of gender on the organizational commitment, job satisfaction, performance, absenteeism, and intention to leave [18]. Since demographics variables can be found to affect organizational commitment and ethical climate [19], this paper will examine selected demographics such as gender, age, having professional certification and whether one is head of integrity unit to the quality of CIO, ethical climate and level of integrity

## **3. METHODOLOGY**

This study is a quantitative study. 128 questionnaires were distributed to 11 CIOs (Chief Integrity Officer) to Ministry Department, State Department, Ministry Statutory Body, State Statutory Body, Local Authorities in the Public-Sector Malaysia (Federal areas). 83 questionnaires were returned and usable. Cross tab and Chi-square analysis was used to examine the relationship of the variables of the study.

## **4. RESULTS**

The following sub topic discussed the results of demographics relationship to Quality of CIO, organizational commitment and ethical climate analysis using the cross tab and chi square.

### *A. Age, Gender, Education Level, Having Professional Certificate and Head Integrity Unit to Quality of Chief Integrity Officer*

Appendix 1 shows cross tab and chi square analysis of age and gender to organizational commitment.

Results shows that only head of integrity unit has a significant relationship with quality of CIO ( $X^2 = 5.605$ ;  $df = p < 0.05$ ).

Head of integrity units (76.2%) are found to be a higher quality CIO than those who do not head the integrity units (23.8%).

The rest of the demographics, age, gender, race, education level and having professional certificate were not found to have a significant relationship with quality of CIO. Interesting to note though even if the results do not show a significant relationship with variable, cross tabulation reveals that females, younger, lower education level and not professionally qualified are higher quality CIO than those who are not

### *B. Age, Gender, Education Level, Having Professional Certificate and Head Integrity Unit to Organizational Commitment*

Appendix 1 shows cross tab and chi square analysis head integrity unit to quality of CIO.

Results show that age has a significant relationship with organizational commitment ( $X^2 = 5.863$ ;  $df = p < 0.05$ ). Older employees (52.6%) were found to have a higher organizational commitment than younger employees (47.4%).

Gender was also found to have a significant relationship with organizational commitment ( $X^2 = 4.715$ ;  $df = p < 0.05$ ). Females (76.3%) were found to have a higher organizational commitment than males (23.7%).

The rest of the demographics, education level, having professional certificate and head of integrity unit were not found to have a significant relationship with organizational commitment. However, it is interesting to note that integrity officers who have a lower education level, who do not have a professional certificate and heads of integrity units have a higher organizational commitment than those who do not

### *C. Age, Gender, Education Level, Having Professional Certificate and Head Integrity Unit to Ethical Climate*

Appendix 1 shows results that all the demographic factors do not have a significant relationship with ethical climate. Although not significant, it is interesting to note that integrity officers, who are younger, female, have a lower education level, are heads of integrity unit and not having a professional certificate have a higher ethical climate than those who do not.

## **5. CONCLUSION AND RECOMENDATION**

This paper has attempted to describe and analyse demographics factors on ethical climate, quality of CIOs and organizational commitment. Based on the result only age and gender were found to have a significant relationship to organizational commitment. Meanwhile, head of integrity units was also found to have a significant relationship to the quality of CIO.

From the result, it is recommended that the public sector need to retain older integrity officers and recruit more female integrity officers if they would like their integrity officers to stay longer in the organization. This could be because older, female officers are more able to face up to the challenges in inculcating ethics in the organization. Older integrity officers should be given more incentives to stay on so that they can help train new integrity officers in performing their duty and embedding ethical culture in the organization.

Having CIO who are head of integrity units rather than not heading an integrity unit would enhance the quality of CIO as they are more independent, competent and able to perform their work better. This is understandable as heading an integrity unit would enable them to manage resources under their responsibility and thus could plan better integrity related efforts for the organization.

The rest of the demographics variables, education level and professional certificate were not found to have a significant relationship with ethical climate, quality of CIOs nor organizational commitment. This could be because being a quality CIO, ensuring a good ethical climate or staying longer in an organization depended more on perseverance of a person rather than having a good educational background.

The study concluded that, there is a strong evidence of association between some demographic variables with organizational commitment and quality of CIO.

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**Appendix 1: Result of Relationship of Demographic Factors to Quality of CIO, Organizational Commitment and Ethical Climate**

Factor Demographics		Age		Total (%)	Gender		Total (%)	Education Level		Total (%)	Prof. Certified		Total (%)	Head of integrity unit		Total (%)
		Young (%)	Older (%)		Female (%)	Male (%)		Lower (%)	Higher (%)		Yes (%)	No (%)		Yes (%)	No (%)	
<b>Ethical climate</b>	Lower	18(62.1)	11(37.9)	29(100)	18(62.1)	11(37.9)	29(100)	15(51.7)	14(48.3)	29(100)	2(6.9)	27(93.1)	29(100)	16(55.2)	13(44.8)	29(100)
	%	35.3	34.4		34.0	36.7		30.0	42.4		15.4	38.6		30.2	43.3	
	Higher	33(61.1)	21(38.9)	54(100)	35(64.8)	19(35.2)	54(100)	35(64.8)	19(35.2)	54(100)	11(20.4)	43(79.6)	54(100)	37(68.5)	17(31.5)	54(100)
	%	64.7	65.6		66.0	63.3		70.0	57.6		84.6	61.4		69.8	56.7	
	Total	51(100)	32(100)	83(100)	53(100)	30(100)	83(100)	50(100)	33(100)	83(100)	13(100)	70(100)	83(100)	53(100)	30(100)	83(100)
<b>Pearson Chi-Square</b>		0.007			0.062			1.350			2.693			1.456		2.693
<b>Quality of CIO</b>	Lower	26(63.4)	15(36.6)	41(100)	24(58.5)	17(41.5)	41(100)	22(53.7)	19(46.3)	41(100)	6(14.6)	35(85.4)	41(100)	21(51.2)	20(48.8)	41(100)
	%	63.4	36.6		45.3	56.7		44.0	57.6		46.2	50.0		39.6	66.7	
	Higher	25(59.5)	17(40.5)	42(100)	29(69.0)	13(31.0)	42(100)	28(66.7)	14(33.3)	42(100)	7(16.7)	35(83.3)	42(100)	32(76.2)	10(23.8)	42(100)
	%	59.5	40.5		54.7	43.3		56.0	42.4		53.8	50.0		60.4	33.3	
	Total	51(100)	32(100)	83(100)	53(100)	30(100)	83(100)	50(100)	33(100)	83(100)	13(100)	70(100)	83(100)	53(100)	30(100)	83(100)
<b>Pearson Chi-Square</b>		0.133			0.993			1.466			0.065			5.605*		0.065
<b>Organizational commitment</b>	Lower	33(73.3)	12(26.7)	45(100)	24(53.3)	21(46.7)	45(100)	27(60.0)	18(40.0)	45(100)	10(22.2)	35(77.8)	45(100)	28(62.2)	17(37.8)	45(100)
	%	64.7	37.5		45.3	70.0		54.0	54.5		76.9	50.0		52.8	56.7	
	Higher	18(47.4)	20(52.6)	38(100)	29(76.3)	9(23.7)	38(100)	23(60.5)	15(39.5)	38(100)	3(7.9)	35(92.1)	38(100)	25(65.8)	13(34.2)	38(100)
	%	35.3	62.5		54.7	30.0		46.0	45.5		23.1	50.0		47.2	43.3	
	Total	51(100)	32(100)	83(100)	53(100)	30(100)	83(100)	50(100)	33(100)	83(100)	13(100)	70(100)	83(100)	53(100)	30(100)	83(100)
<b>Pearson Chi-Square</b>		5.863*			4.715*			0.002			3.202			0.114		3.202