# THE QUALITY OF CHIEF INTEGRITY OFFICER AND ETHICAL CLIMATE ON THE LEVEL OF ETHICS AND INTEGRITY: CASE OF MALAYSIAN PUBLIC-SECTOR

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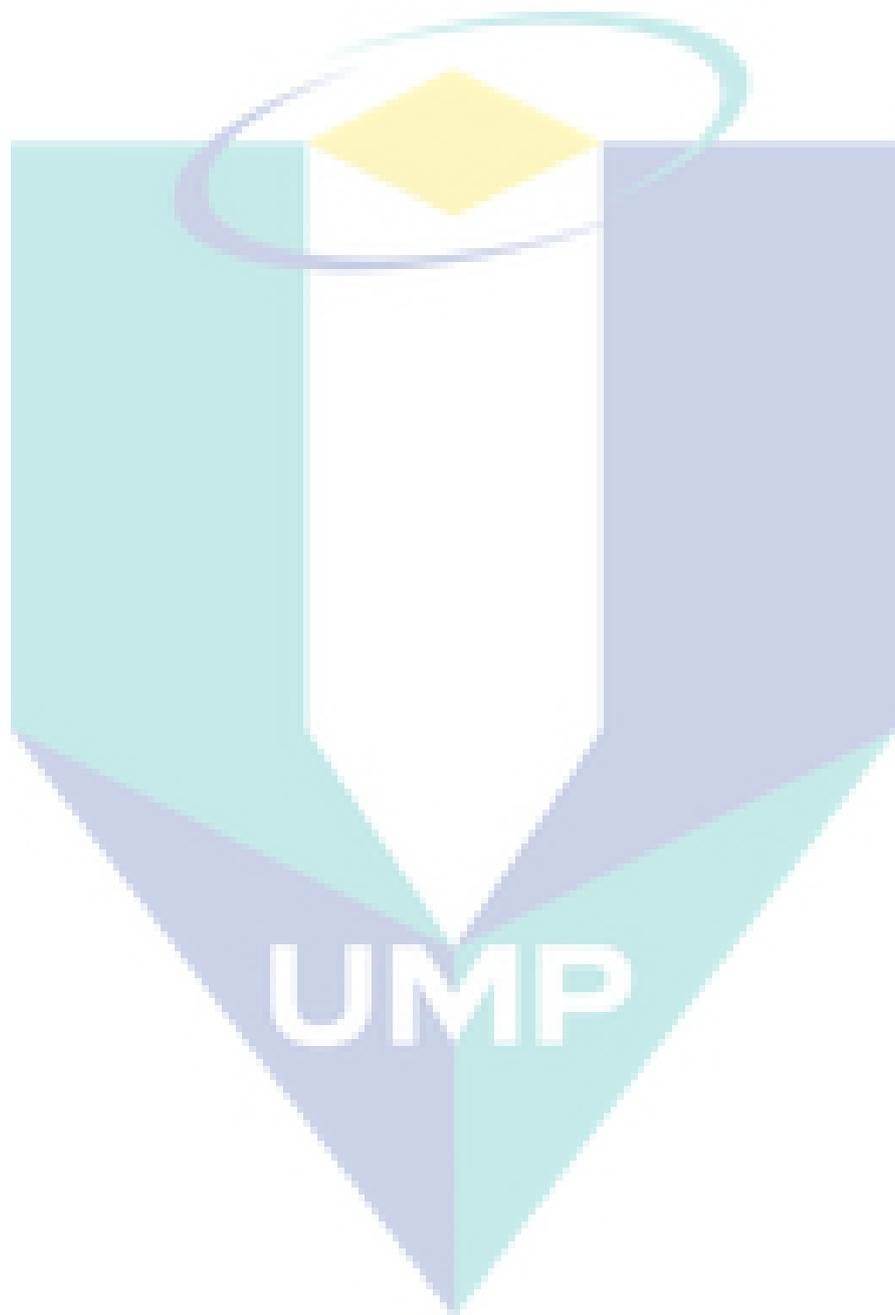
A REPORT SUBMITTED TO PNI

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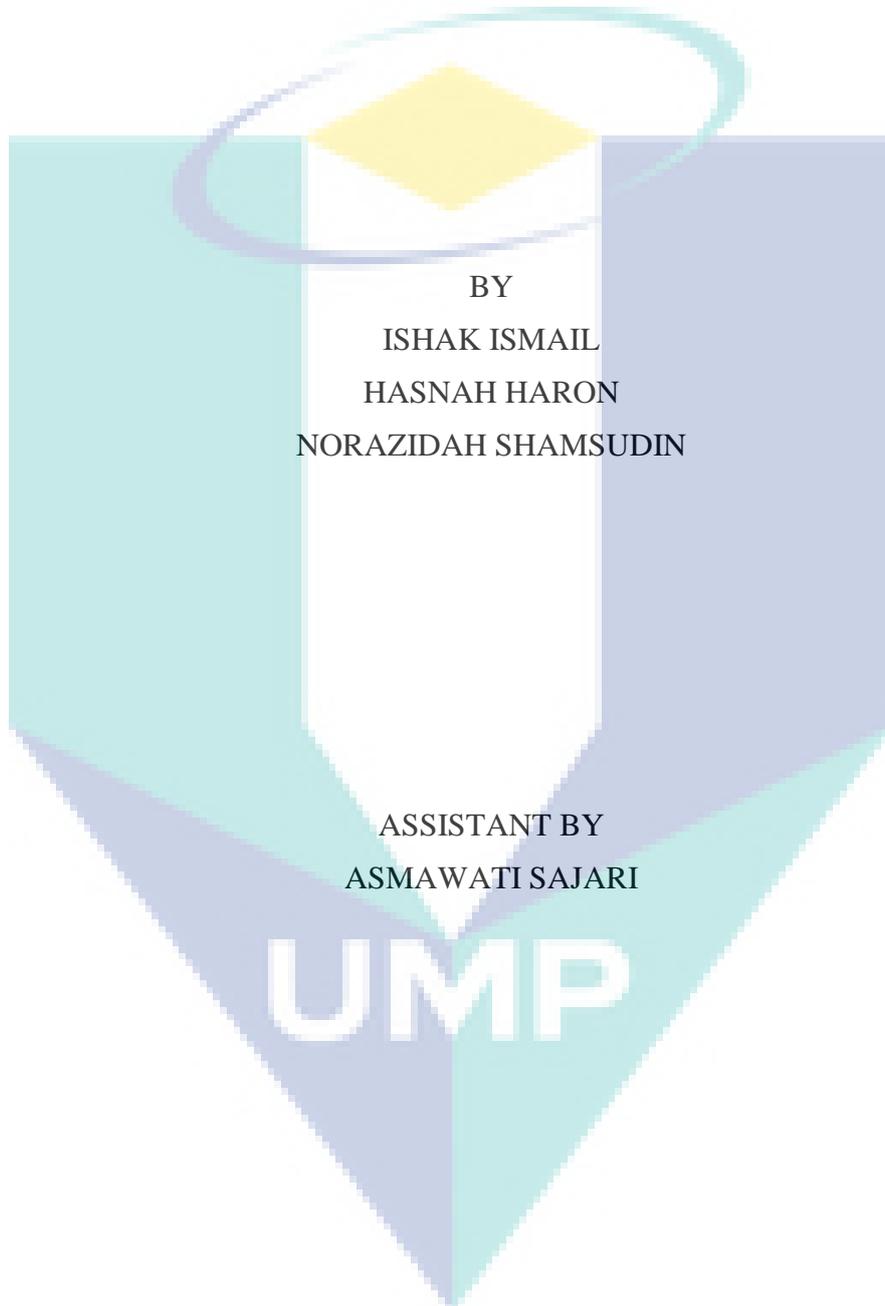
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ABSTRAK

Keberkesanan pelaksanaan etika dan integriti sangat penting dalam mengurangkan skandal etika seperti rasuah, penipuan, ketidakcekapan pemerintahan dan kawalan tehadap pentadbiran dalaman yang lemah. Berdasarkan statistik yang dilaporkan oleh Suruhanjaya Pencegahan Rasuah Malaysia (SPRM), ia menunjukkan bahawa penjawat awam adalah kumpulan yang paling terlibat dalam skandal etika. Skandal etika ini bermula dari pengurusan atasan sehingga kakitangan yang lebih rendah dalam organisasi sektor awam. Objektif kajian ini adalah untuk mengkaji hubungan antara tiga dimensi kualiti Ketua Pegawai Integriti (kebebasan, kecekapan dan prestasi kerja) dan iklim etika dengan tahap etika dan integriti dalam organisasi sektor awam Malaysia. Daripada 128 soal selidik yang dihantar kepada Pegawai Ketua Integriti di peringkat Persekutuan, 83 soal selidik telah diterima dan dapat digunakan. Regresi berganda digunakan untuk menguji hipotesis kajian ini. Hasil kajian ini menunjukkan hubungan yang positif dan signifikan antara kualiti Ketua Pegawai Integriti (kecekapan serta prestasi kerja) dan iklim etika dengan tahap etika dan integriti. Tahap etika dan integriti pula didapati, mempunyai hubungan yang positif dan signifikan terhadap komitmen organisasi. Maka, kajian ini menunjukkan bahawa kualiti Ketua Pegawai Integriti yang lebih tinggi iaitu dari segi kecekapan, prestasi kerja dan iklim etika, dapat meningkatkan tahap etika dan integriti organisasi dalam sektor awam di Malaysia. Kajian ini juga menunjukkan bahawa usaha kerajaan dalam melaksanakan agenda integriti nasional berhasil kerana tahap integriti di sektor awam Malaysia berada pada tahap 73%. Bagi meningkatkan tahap kecekapan Ketua Pegawai Integriti, mereka digalakkan untuk mengikuti kursus professional yang berkaitan dengan etika dan integriti. Ketua Pegawai Integriti juga perlu melaksanakan peranan mereka seperti menyelaras dan memantau program serta melaporkan sebarang pelanggaran integriti tanpa rasa takut dan secara bebas. Bagi meningkatkan atau memperbaiki iklim etika yang sedia ada, organisasi harus menetapkan polisi, garis panduan serta tingkah laku beretika dan berintegriti yang jelas kepada semua pekerja di agensi kerajaan, kementerian, jabatan dan badan berkanun di sektor awam.
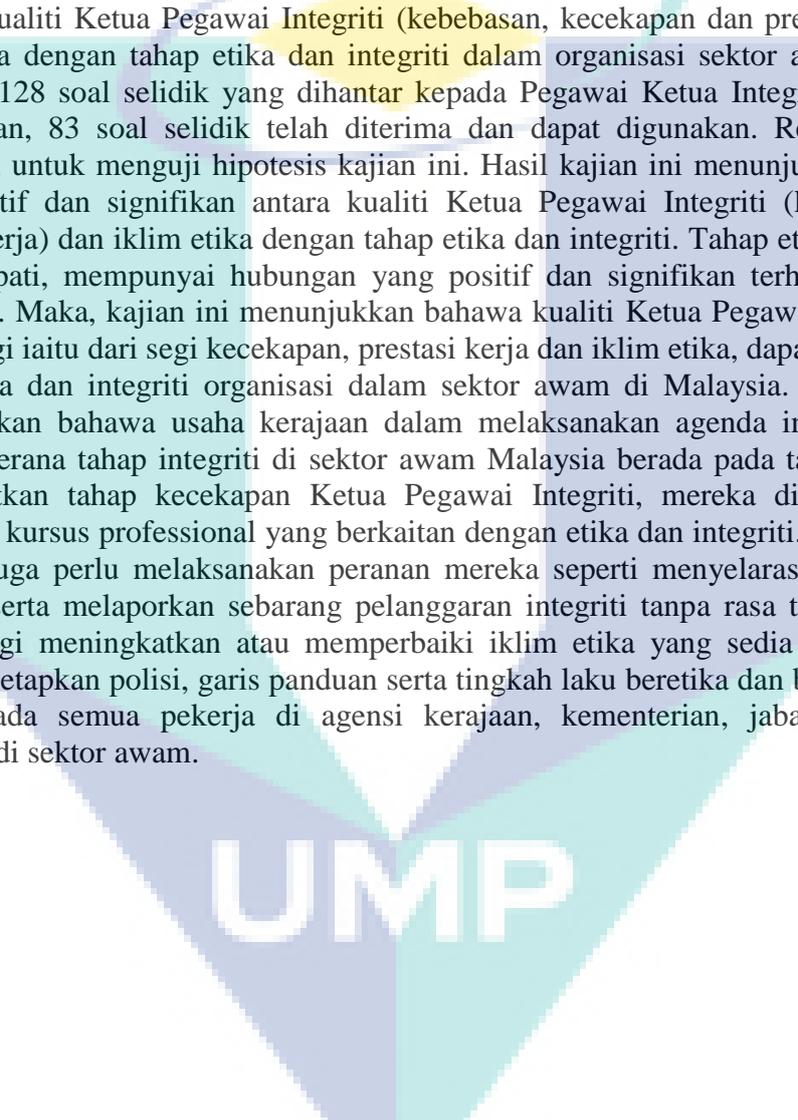
ABSTRACT

The effectiveness in implementing ethics and integrity is very important to reduce the ethical scandals such as corruption, bribery, fraud, governance inefficiency and poor internal control. Based on the statistics reported by the Malaysian Anti-Corruption Commission (MACC), it shows that civil servants are the most involved group in the ethical scandals starting from the top management until the lower staff in the public-sector organization. The objective of this study is to investigate the relationship between the three dimensions quality of the Chief Integrity Officer (independence, competence and work performance) and ethical climate with the level of ethics and integrity in Malaysian public-sector organization. Out of 128 questionnaires that were emailed to the CIOs in the Federal level, only 83 questionnaires were received and usable. Multiple regression was used to test the hypotheses of this study. The results of this study showed that the two dimensions quality of CIO (competence and work performance) and ethical climate have a positive and significant relationship with the level of ethics and integrity. On the other hand, the level of ethics and integrity was found to have a positive and significant relationship on organizational commitment. Thus, this study suggests that a higher CIO quality i.e. competence, work performance and ethical climate, will be able to enhance the level of ethics and integrity of the public sector in Malaysia. This study showed that the government efforts in implementing the national integrity agenda was fruitful because the level of integrity in the Malaysian public sector was at 73%. To increase the competency level of the CIO, it is highly advisable for them to enrol in more professional courses related to ethics and integrity. CIOs should also perform their roles such as coordinate and monitor programs and also report any breaches of integrity without fear or favour. To increase or improve existing ethical climate, the organization should establish clear policies, guidelines and conducts on ethics and integrity to all employees in the government ministries, department and statutory body in the public sectors.

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ACAM	Anti Corruption Agency Malaysia
AMID	Agency Management Integrity Division
CeIO	Certified Integrity Officer
CECO	Chief Ethics and Compliance Officer
CIDC	Corporate Integrity Development Centre
CIO	Chief Integrity Officer
CISM	Corporate Integrity System Malaysia
CIQM	Corporate Integrity Questionnaire Malaysia
CIU	Chief Integrity Unit
CO	Compliance Officer
CPIB	Corrupt Practices Investigation Bureau
CPI	Corruption Perception Index
CUEPAS	Congress of Union of Employee in The Public and Civil Servant
ECO	Ehics and Compliance Officer
GLC	Government Link Companies
ICAC	Independent Commission Against Corruption
IAAC	International Association of Anti-Corruption Authorities
IIAM	Institute of Internal Auditors Malaysia
IIM	Malaysia Institute of Integrity
IMC	Integrity Management Committee
IM	Integrity Management
JKKMKPK	Jawatankuasa Khas Kabinet Mengenai Keutuhan Pengurusn Kerajaan
TI	Transparency International
INCAC	United Nations Convention Against Corruption
MACA	Malaysia Anti Corruption Academy
MACC	Malaysia Anti Corruption Commission
NIP	National Integrity Plan
NKRA	National Key Result Area
OECD	Organization for Economic Co-operaation and Development
PICC	Putrajaya International Convention Centre
SBPWM	Simple Boost Pulse Width Modulation

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter introduces the research agenda of this study. It outlines the background of the study, problem statement, research questions, research objectives, significance of the study, definitions of term and the organization of the remaining chapters.

1.2 Background

The emergence of unethical scandal such as corruption, fraud, theft, misappropriation of assets, misconduct of behavior in the public sector will affect the government and make an adverse economy in the future. Thus, ethics and integrity have to be translated into good governance and efficient services in order to be delivered by government agencies to prevent this issue in the public sector. Ethics and integrity are two essential components of good corporate governance. Ethics involves individual, organizations and professional ethics while integrity involves individual, organizations, and persons holding public office. Good corporate governance has become a benchmark for assessing the development of a nation. Without good corporate governance, no reasonable sustainability can be achieved from the part of the country inhabitants and the country itself. Therefore in this modern world, the economy of a country is handled by either the government (public sector) or business community (private sector) (Ali, 2015).

Nowadays, the public sector is a matter of global concern because of the constant cases of failure in governance, fraud, inefficiency and corruption. This situation has promoted the Malaysia government to initiative serious efforts to tackle

integrity deficiency issues that have been shackling the civil servant. This is also, one of steps to improve the level of ethics and integrity in the Malaysian public sector. There are many factors that determine the level of integrity. Camerer (2006) stated that the importance of the Public Integrity Index established by Global Integrity is to help control or reduce current corruption, prevent abuse of power and promote more effective governance. There are extensive studies on strategies to improve the level of integrity, especially in combating corruption. Among them are studies done by international institutions such as Organizations for Economics Cooperation and Development (OECD), Transparency International (Corruption Perception Index) and Global Integrity (Global Integrity Report). At the national level, there are studies conducted by Malaysian Institute of Integrity (MII), Malaysian Anti-Corruption Commission (MACC), Public Complaints Bureau and integrity units established in each of the government department (Siddique, 2010).

Integrity is important in the public sector because integrity is the corner stone of good governance. Fostering integrity and preventing corruption in the public sector supports a level playing field for business and is essential in maintaining the trust in government. 'Integrity' refers to the application of values, principles and norms in the daily operation of the public-sector organizations. Governments are under growing pressure from the public to use information, resources and authority for the intended purpose. Achieving a culture of integrity requires coherent efforts to update standards, provide guidance, monitor and enforce them in daily practices (Organisation for Economic Co-operation and Development, 2015).

In Malaysia, the public sector plays an important role in fostering integrity and preventing corruption. Therefore, the government has implemented the Prime Minister's Directive No. 1 of 2009 which is to upgrade the uprightness of the board in the administration's organization. This has been done through the setting up of the Integrity Management Committee in all ministries, department and agencies at Federal Government as well as the State Governments. However, there is no mechanism thus far that involves other sectors, such as the private sector, political parties, non-government organization, religious group, the media, women, youth and students in an integrated and coordinated movement to enhance integrity. In this regard, the government has formulated the National Integrity Plan (NIP) and launched it on 23rd April 2004 which

forms the master plan to guide all sectors stated previously. It has been formulated in accordance to Malaysia's diverse composition of ethnic and religious groups. The plan considers the views and suggestions of all Malaysians at a series of national seminars. Thus, the NIP reflects the hopes and aspirations of both the leadership and the Malaysians.

Meanwhile, previous research on a government agency (MARA, 2014) by Institute Integrity Malaysia stated that the level of ethics and integrity is at 72.15%. However, for each of the twelve dimensions which involves the level of ethics and integrity, it indicates the benchmark level between 63% to 83%. The government agency has performed well in these dimensions but there is an still area of improvement to achieve at the 100% benchmark level. Therefore, the significant of this study is to be a part of the mechanism that needs to enhance the level of ethics and integrity in the public sector with guidance by the IIM. This is the government's initiative in pursuance of integrity at the workplace.

The motivation of this study is to look at the level of ethics and integrity in the public sector and why ethical scandals such as corruption, fraud, bribery and abuse of power is becoming worst in the public sector. Based on the reports from the Malaysia Anti-Corruption Commission and the Corruption Perception Index in the public sector, the reports show that corruption is at an increase and needs the right combating to prevent this issue. Government has been implementing various initiatives by promoting ethics and integrity in the public sector. However, statistics of corruptions in the public sector is on the rise.

1.3   Problem Statement

The occurrence of unethical scandal in the Malaysian public sector is not a new scenario. The cases of unethical scandal in the public sector have caused millions of money to be wasted through an inefficient, unchecked and uncontrolled purchase of unnecessary equipment on projects that have to be abandoned eventually. Thus, unethical behaviour has become the main problem facing in the Malaysia public sector. Fostering of ethics and integrity plays a critical role in ensuring the presence of transparency and accountability in the public sector. There are many issues of concern that have surfaced in the public sector such as fraud, corruption, failures in governance,

weak financial management and many others. If not curbed it will create an uncertain environment, thereby reducing investment, government spending less on public project that will also decrease as there is lower tax revenue and exert of an "informal corruption cost" which could cause other institutions to be ineffective (Diaby & Sylwester, 2014). Thus, this has given rise to many questions regarding the public sector level of ethics and integrity in upholding the public's trust. It is hoped that this study would assist the government to identify the factors that would help in nurturing and promoting the value of integrity in the government sector.

This study will determine the level of ethics and integrity in the public sector. Quality of CIO and ethical climate are hypothesised to be the factors that will influence level of ethics and integrity. This study would also be looking at the relationship of level of ethics and integrity and also organizational commitment of the organization. Based on the Corruption Perception Index (CPI), there are cases of allegations of corruption in the newspaper and social media that highlighted unethical behaviour and integrity as a key issue in the public sector. Even though Malaysian government has implemented various initiatives to reduce the occurrence of unethical scandals in the public sector, statistics reports still show an increase every year (Siddiquee, 2010). Previous studies show that having a corporate integrity system in an organisation, will lead to a good level of ethics and integrity and influence the organizational commitment of its employees. However this research has been conducted in listed companies and will be examined whether the level of ethics and integrity would have an impact on organizational commitment in the public sector. Therefore, it is also expected that this research may contribute to the empirical findings of these studies.

According to Ernst & Young (E&Y) in its Asia Pacific Fraud Survey Report Series 2013, Malaysia and China had been ranked as one of the most corrupt nations. Malaysia is listed as a country which is most likely to take shortcuts to meet targets when economically, times are tough. In a survey conducted by KPM Malaysia which involved 100 listed companies on Bursa Malaysia, 64% of respondents believed that business cannot be done without paying bribes, 90% of respondents who comprised majority from top management stated that fraud is an inevitable cost of doing business and 71% of the respondents said the same about bribery and corruption (Asia Pacific Fraud Survey, 2013).

Thus, promoting integrity has become important in fighting corruption in the public sector. Meanwhile, implementing good governance will sustain economic growth and prosperity in the Malaysian government. Anti-Corruption Agency in 1967 was reformed and revitalized subsequently to make it more effective in hindering corruption and all forms of maladministration in the society. However, in 2003 fighting corruption has been firmly on the agenda of the government with variety of new initiatives and strategies that have been devised and implemented in the public sector. Malaysia has an elaborate anti-corruption framework and presents an interesting case whereby the level of corruption has remained high. The plethora of strategies and the recent campaigns appear to have made hardly any difference in containing and combating corruption in the society (Siddiquee, 2010).

Malaysia has been a successful developing country and the challenges it must address in this endeavour is the strengthening of ethics and integrity. Therefore, Malaysia must be managed effectively to overcome its weaknesses and increase ethics and integrity attitude in the public sector. According to the Congress of Union of Employee in The Public and Civil Servant (CUEPACS), Omar Osman the President of the CUEPAS stated that a total of 418,200 or 41 per cent of the 1.2 million civil servants in the country were suspected to be involved in corruption. Beside corruption, CUEPACS would not protect civil servants who had discipline problems such as playing truant or forging medical certificate (Malaysia Today, 2010). These reports showed that the deterioration of ethical behaviour has led to the need for research in the area of ethics important area which are the ethical and integrity in the public sector.

There are several reasons why this study is pertinent especially in Malaysia. In the first seven months of 2010, the Malaysian Anti-Corruption Commission (MACC) received 7,224 cases of allegations of corrupt practices involving transactions of RM6.2 million in cash. A total of 510 people with the bulk from public sector were arrested. Furthermore, among those who were detained were private sector employees, members of the public and several politicians (The STAR, 2010). Despite measures taken by the Malaysian Government to curb corruption, there is little change in Malaysia's Corruption Perceptions Index (CPI), which measures the perception of corruption in participating countries by Transparency International annually. Malaysia has participated in the study since its inception in 1995 and distressingly, the country's

rankings appear to be steadily declining, from the 23rd spot in 1995 to 47th in 2008 (The STAR, 2009) as cited in (TC Law, 2010).

In 2016, Malaysian CPI scores dropped ranking from 54 to 55 out of 176 countries and has scored 49 out of 100 (Tl, 2017). In 2017, Malaysia's CPI ranking dropped even further to number 62 compared to its 55th ranking in 2016. According to the report, it is due to the 1MDB issue, the SRC International Sdn. Bhd case and the Federal Land Development Authority (Felda) scandal. This is the lowest worst condition since the index began in 1995 (Theedgemarkets, 2018). This indicates that graft-fighting measure efforts are still inadequate to fighting corruption. Even though the governments are on the right track to restore public trust, the CPI score still dropped. Table 1.1 shows the CPI Index in the Malaysian public sector from 2008 to 2017. A scale of 0-10 was used from 2008 to 2011 whilst a scale of 0 to 100 was used from 2012 onwards. The higher the score, the better the country is in terms of corruption and the better the country is in terms of its ranking.

Table 1.1   Malaysia's Ranking Out of Country and CPI Score (2008-2017)

Year	Malaysia's Ranking Out of Country	CPI Score/Scale of (0-10/0-100)
2008	47/180	5.1/10
2009	56/108	4.5/10
2010	56/178	4.4/10
2011	60/182	4.3/10
2012	54/174	49/100
2013	53/177	50/100
2014	50/175	52/100
2015	54/168	50/100
2016	55/176	49/100
2017	62/180	47/100

Source: Transparency International, 2017

Table 1.2 and Figure 1.1 shows statistic of civil servants which consists of top management, management, professional and supported employees that were arrested. The table and figure show that the number of arrests from 2011 to 2015 are on the rise which could indicate the increase of unethical conduct over the years.

Table 1.2   Statistic of Civil Servants Arrested (2011-2015)

Year	Total Civil Servants	No. of Arrests	%
2011	918	299	32.57
2012	701	288	41.08
2013	501	170	33.93
2014	522	214	40.99

2015	824	386	46.84
Total	3466	1357	
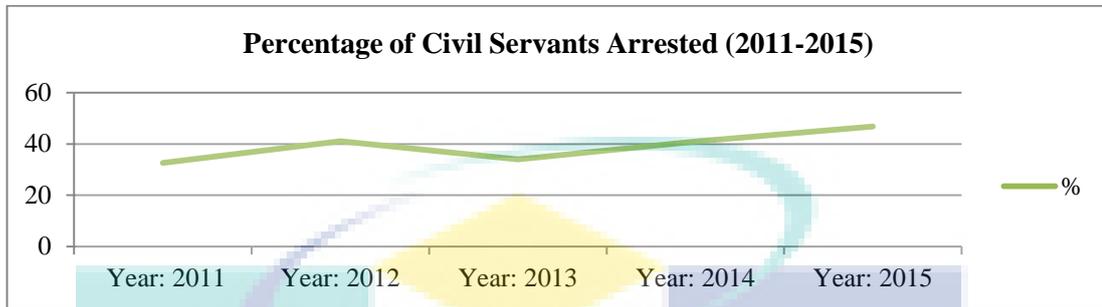
Figure 1.1   Percentage of Civil Servants Arrested (2011-2015)

Source: Malaysia Anti-Corruption Commision (2017)

Table 1.3 shows the percentages of fraud cases based on the different number of government agencies. Research conducted by Kamaliah, Marjuni, Mohamed, Mohd-Sanusi & Anugerah (2018), showed that federal government agencies is the highest percentage of fraud cases which was indicated by misappropriation of assets and followed by theft, procurement fraud, bribes, payroll fraud and also financial statement fraud. Meanwhile, a percentage of fraud case misappropriation of assets in local government agencies was the lowest percentage compared to the federal government agencies. Therefore, having a Chief Integrity Officer and a good ethical climate at the workplace will help to enhance ethical practices among employees and as a result will reduce misconduct in the public sector organisation.

Table 1.3   Percentage of fraud cases based on the type of government agencies

Fraud	Federal (%)	Local (%)	Others (%)
Bribery/kickbacks		10.99	12.09
Theft	36.26	14.29	17.58
Misappropriate of assets	37.36	16.48	17.58
Procurement Fraud	35.16	14.29	15.38
Payroll Fraud	14.29	4.40	9.79
Financial statement fraud	7.69	0.00	2.20

Source: Kamaliah, Marjuni, Mohamed, Mohd-Sanusi & Anugerah, 2018
(Effectiveness of monitoring mechanisms and mitigstions of fraud incidents in the public sector, 2018)

A research conducted by Accounting Research Institute (ARI, 2016) it found that the government related parties request for bribe more than the others as shown in Figure 1.2. In this study, questionnaires were distributed to both technical and non-

technical employee in both public and the private sector. The questionnaire asks the respondents to rate which party requests for bribe the most, when dealing with business transactions with them. Findings show that the most party that request for bribe is the government official (38%).
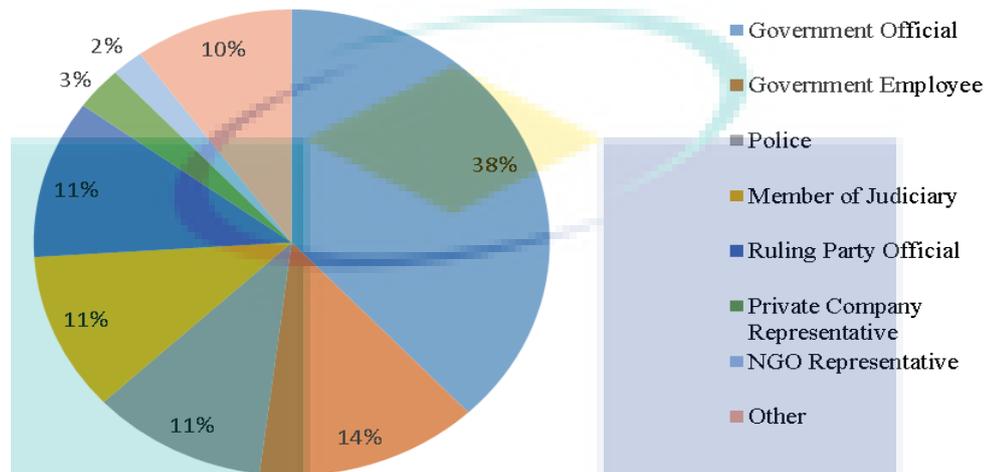
Figure 1.2   Who Requested the Bribe?
Source: Accounting Research Institute (2016).

Most of ethical issue deals with unethical actions in public administration. Unethical actions and corruption erode citizen's trust in the administrative and political systems. There are numerous debates about officials and politicians independence from external linkages. Indiscreet behaviour by those who govern may damage public confidence (Isaksson, 1997; Fawcett & Wardman, 2008). Integrity violations can vary from corruption to unethical social behaviour in the working environment. Integrity violations include fraud and theft of organizational resources, and the waste of organizational resources (Kolthoff, Huberts, & Huberts, 2007). To mitigate the issue of bribery, it is imperative to hoist the certainty among financial specialists by depicting a reasonable business upper hand yet still advance a solid challenge among organizations in Malaysia. Therefore besides effective governance, in order to make a dent on corruption, corporate ethics and integrity systems should be institutionalized. Nevertheless, currently the corporate ethics and integrity framework at corporate levels are still scarce.

Thus, Prime Minister Directive No. 1 of 2009 took an important step to promote more on integrity. This directive is a mandate establishment of committee on integrity

governance in all government ministry and departments. The Certified Integrity Officer (CeIO) is an accredited officer that plays an integral role within an organization to inculcate integrity and ethical values. A well-prepared CeIO would have a decent comprehension of Integrity Management, the required Legal Framework, Compliance and Monitoring System just as the capacity to build up an Integrity Action Plan.

One of mechanisms to push companies to follow ethical conduct is through the appointment of an ethical and compliance officer. Similar terms used for ethical and compliance officer includes Compliance Officer (CO), Ethics and Compliance Officer (ECO), Chief Ethics and Compliance Officer (CECO) and Chief Integrity Officer (CIO). This officer is expected to guide and protect an organisation from unethical behaviour that will harm the organisation's reputation. They are also expected to formulate and review corporate integrity strategy and action plan in order to promote integrity and also set up personnel and integrity committee at the board level. This position is one of the important position in the company because he/she is responsible for creating and maintaining organization environments that aim to produce ethical and law-abiding employees and leaders (Treviño, den Nieuwenboer, Kreiner, & Bishop, 2014).

Not all CIOs are CeIOs because to become a CeIO, they have to undergo eight modules and passed them. The Malaysian Anti-Corruption Academy (MACA), through its Corporate Integrity Development Center (CIDC) conduct a CeIO program for this purpose. All CeIOs will be awarded a certificate by MACA. This CeIO program has been implemented for more than five (5) years. In Malaysia, a CIO is a Senior Officer from MACC and act as an advisor in their agency. The position of CIO was created to ensure that there is an improvement in the level of ethics and integrity in the public sector as corruption and bribery is getting more serious by the day.

Malaysia views the issue of unethical and lack of integrity in the public sector seriously. Therefore, government has emphasised that the public sector in Malaysia needs to be effective, efficient and ingrained with the highest level of ethics and integrity only with this can Malaysia move towards achieving a high-income economy status in 2020. Thus, the importance of a good quality CIO and ethical climate in the organizations will help to ensure the achievement of this objective.

In this study, CIO is perceived as a person who has an important role and responsibility to ensure that ethics and integrity is implemented in the organization. Yet, there is no research conducted to date to the knowledge of the researcher, to evaluate the impact of CIO on the level of ethics and integrity in the Malaysian public-sector. Thus, one of the objectives of this research is to examine this issue. The research will examine the relationship of CIOs on the level of ethics and integrity in the Malaysian public-sector organizations. If CIO's relationship is positive on the level of ethics and integrity in an organisation, then this programme would be recommended to be continued, otherwise an intervention or improvement is needed to relook at other alternatives to improve the level of ethics and integrity of an organisation. Previous research has shown that having a quality CIO (Chandler, 2015; Treviño et al., 2014) and a good ethical climate (Kolthoff, Erakovich & Lasthuizen, 2010) will enhance the level of ethics and integrity in an organisation and thus this study is to examine the issue in the Malaysian context.

1.4 Research Objectives

Specific objective of the study are as follows:

1. To examine the twelve dimensions of level of ethics and integrity in the Malaysian Public Sector.

2. To examine the relationship between the quality of Chief Integrity Officer (CIO) i.e. independence, competence and work performance with the level of ethics and integrity in Malaysian public-sector.

3. To examine the relationship between ethical climate with the level ethics and integrity in Malaysian public-sector.

1.5 Research Question

Research questions of the study is as follows:

1.   What is the level of organizational ethics and integrity in the Malaysian public-sector?

2.   Is there a relationship of CIO's quality (Independence, competence, work performance) with the level of ethics and integrity in Malaysian public-sector organizations?

3.   What is the relationship of ethical climate with the level of ethics and integrity in Malaysian public-sector organizations?

This study will also examine whether there is a significant difference between demographics variable (age, gender, race, position as head of Integrity Unit, educational level, professional certification) and level of ethics, the quality of Chief Integrity Officer and ethical climate.

1.6   Significance of the Study

It is important to understand the research issues outlined above for several reasons particularly in reducing corruption and ethical scandals so that the level of ethics and integrity will increase in the public sector. Corruption is not a recent phenomenon. According to the Malaysian Anti Corruption Commission, the number of arrests in the public sector is higher compared to the private sector. If the government does not prevent its occurrence, it will have a direct impact on the economy and will reduce economic investments, hinders competition, distort markets and increase income inequalities. Thus, corruptions, should be eradicated because it carries negative impacts to the Malaysia economy (Siddique, N A, 2010). This study is expected to contribute to the theoretical, methodological and the practice of the Chief Integrity Officers profession in Malaysia public sector. From the practical perspective, evidently, empirical studies on the antecedents and outcomes of the role of CIO's effectiveness are very limited, especially from this region.

1.7   Theoretical Contribution

This study uses the Hunt and Vitell Theory of Ethics to explain the influence of personal characteristics and organizational environment on the level of ethics and integrity in an organization. According to this theory, the personal characteristics which is the quality of CIO and also organizational environment which is the ethical climate, will have a significant influence on the level of ethics and integrity in an organisation. The results of this study can help to better coordinate and direct CIO's work and help to increase their usefulness, productivity, efficiency and effectiveness particularly an increase in ethics and integrity behavior of the employee in the organization.

1.8   Practical Implications

This research will contribute to the following parties such as the Malaysian Anti-Corruption Academy (MACA). MACA is one of the divisions in the Malaysian Anti-Corruption Commission (MACC) that develops and conducts the CeIO program. As of 2016, more than 400 participants had successfully graduated and awarded the Certificate of Certified Integrity Officer (CeIO). Accordingly, these CeIOs are to report to MACC regarding their relevant tasks and their achievements in implementing ethics and integrity program in their organization. However, upon the discussion with the personnel from MACA, there is no study to date that has examined the impact of CIO on the level of ethics and integrity in an organisation. Therefore, the findings of this study if proven positive, will help MACA and MACC to strengthen the requirement for one to become a CIO.

Agency Integrity Management Division (AIMD) of MACC is another department that would gain some insights from the research findings. AIMD is the department responsible to take charge on the establishment, development and management of the Integrity Unit in all the public-sector agencies. Integrity Units were established in every public agency at the Federal and State levels as one of the initiatives in managing issues related to integrity in a more focused and organized manner in order to achieve an optimum impact. The objective of the Agency Integrity Unit (AIU) is to consolidate all issues pertaining integrity under one main unit to implement the institutional initiatives of integrity, compliance, prevention and identification of misconduct in the organization. Punitive actions will be taken if there

are issues of misconduct. From the research findings, if a CIO is proven to have a positive relationship with the level of ethics and integrity in an organisation, AIMD can help to ensure the quality of CIO is looked after and that the Integrity Unit is staffed with the best quality CIOs. The public sector organisations will also benefit from this study as it will have quality CIOs in their organisations carrying out their duty efficiently.

Another research objective of the study is to examine whether an ethical climate can also assist to improve the level of ethics and integrity in an organization. Thus, if the finding is positive, the Malaysian public sector will have to ensure that there is a good ethical climate in an organization. One of the ways to have a good ethical climate is through the examples shown by top management of the organisation and that they "walk the talk". Others would be to reprimand unethical conduct and give recognition to good ethical behaviour, provide channels of reporting of unethical behaviour and to have whistleblowing policy in place. A good ethical climate will help shape the overall ethics and integrity of an organization.

1.9 Scope of Study

The study focuses on the Malaysia public sector at the Federal level which includes ministries, departments and statutory bodies. Respondents of this study are Chief Integrity Officer (CIO) or officers whose job scope is related to maintaining and fostering ethics and integrity in their organisations. This include CeIO (Certified Integrity Officer), Chief Ethics Officer (CEO) and Compliance Officer (CO).

1.10 Operational Definition

This section will explain the operation definition of the variable that are examined in this study.

1.10.1 Quality of Chief Integrity Officer

Chief Integrity Officers (CIO) is an individual who helps in developing the code of conduct in an organisation, designing and delivering training programs ethics, developing and managing reporting lines and investigation systems, contributing to the design of performance management systems, and working to create ethical cultures and

climates (Ethics Resource Center, 2007; Greenberg, 2009). There are three dimensions to measure the quality of Chief Integrity Officer (CIO) which are independence, competence and work performance.

1.10.1.1 Independence

Independence is measured in terms of reporting level whether functionally or operationally. Functionally refers to reporting regarding professional related responsibilities and operationally is reporting of day to day operations (Qun, 2013).

(i) Functionally Reporting refers to CIO's reporting of issues related to profession such as issues of corruption and fraud. CIO is independent if they were to report to parties outside the organisation. In this study, if the CIO reports to the Agency Integrity Management Division, the CIO is most functionally independent.

(ii) Operationally reporting refers to CIO's reporting of operational day to day running of operations issues such as claim of funds and disciplinary issues. In this study if the CIO is to report to Head of Department, he is the most operationally independent.

1.10.1.2 Competence

Competence is measured with years of experience and educational qualification level (Qun, 2013).

1.10.1.3 Work Performance

In this study, work performance is defined as the role that the CIO should undertake to ensure the level of ethics and integrity of an organizations. The roles are as listed in Circular Series 1 No.1 (2011) which are as follows: (i) coordinate and monitor integrity programmes, (ii) report any breach of integrity, (iii) coordinate the actions taken on breach of integrity, (iv) implement a recovery program on integrity, (v) publication of integrity related articles, (vi) assist and support to Jabatan Keutuhan Tadbirurus (JKTU) secretariat, (vii) advise management on integrity matters, (viii) monitor the services delivery system of the organization, (ix) act as a liaison officer to

the organization of Corporate Integrity Development Centre (CIDC), (x) ensuring compliance to directives / regulations issued by organizations.

1.10.2 Ethical Climate

Ethical climate is defined as "the prevailing perceptions of typical organizational practices and procedures that have ethical content" or "those aspects of work climate that determine what constitutes ethical behaviour at work" (Victor & Cullen, 1988).

1.10.3 Level of Ethics and Integrity

The measurement of ethics and integrity used in the study is based on 12 dimensions (Dubinsky & Richter, 2008). The 12 dimensions of ethics and integrity are; (i) Vision and Goals, (ii) Leadership, (iii) Infrastructure, (iv) Legal Compliance, Policies and Rules, (v) Organizational Culture, (iv) Disciplinary and Reward Measures, (vii) Whistleblowing, (viii) Measurement, Research and Assessment, (ix) Confident Advice and Support, (x) Ethics Training and Education, (xi) Ethics Commutations and (xii) Corporate Social Responsibility.

1.11 Organization of the Thesis

This thesis is organized into six chapters;

Chapter 1 provides the background of the study, problem statement, research questions, research objectives, research significance, definition of terms and organisation of the remaining chapters.

Chapter 2 explains the background of public sector in Malaysia, initiatives taken by Malaysian government in relation to ethics and integrity in public sector organization, various parties related to these initiatives and brief description of the Certified Integrity Officer program. It also explains the composition the public sector in Malaysia, the function of MACC, National Integrity Plan (NIP), IIM, establishment integrity unit and discussion of ethics and integrity initiative in Asian and international level. This chapter will assist readers to understand what has been done in the public sector to provide a basis in the last chapter which will lead to the recommendations to be made based on the findings of all the studies.

Chapter 3 explains the literature review and previous research that are related to level of ethics and integrity as well as the factors that influence it. It also discusses the previous literature on the outcome or impact of the level of ethics and integrity. Furthermore, it reviews some empirical studies on the relationship between all variables for the development of the current research framework to be used in this study.

Chapter 4 described the research framework and methodology to be used in the study. Hypothesis, research design, sample and data collection, research instrument, measurement of the variables and also method and elements of data analysis are discussed in this chapter.

Chapter 5 is the results and findings of survey data in this study. Descriptive analysis, Factor Analysis. Test of Reliability, Multiple Regression, Cross Tab and Chi Square were used to help answer the research questions and to explain the data collected. Also, cobweb analysis is done as an additional analysis to show in pictorial from the level of ethics and integrity in the Malaysian public sector.

Finally, chapter 6 is closing chapter of this study. It provides the regulation of the findings of the research and discusses the implications of the study. This chapter also outlines the limitations of the study and provides suggestions to be considered by similar kind of research in the future.

1.12   Chapter Summary

This chapter provides the research background of the study where the statement of problem is formulated. It also listed the research objectives and research questions studied for this research follows by the operational definitions of the key terms used in this research.

CHAPTER 2

INDUSTRY PROFILE

2.1   Introduction

This chapter begins with a general definition of government and public sector and proceeds to define the public sector in Malaysia. It provides the background of the Malaysian public sector and related initiatives taken to strengthen the ethics and integrity in the public sector. It also highlights some integrity initiatives done in other countries.

2.2   Malaysian Public Sector

Previously, the Malaysia Public Sector known as the Malaysian Civil Services (MSC). It is divided into three tier governments, namely Federal Government, State Government and Local Government (Azleen, I, & Nurul, N.Z. 2013). The definition of public sector is (i) A political organization set up with power to direct, regulate and control men's activities to enable them to live together harmoniously and constructively and to solve their common problems, (ii) As those industries and services in a country that are owned and run by the state", (iii) All organizations which are not privately owned and operated, but which are created, managed and finance by the government on behalf of the public. The Malaysian Public Sector is also known as the government sector. In general, definition of public sector is "those entities related to the government, including Federal Government, State Government, Local Government, Statutory Bodies and public owned company".

The Federal Government is the highest, which consists of ministries, departments, units and public enterprises. State Government is second tier, which consists of ministries departments and public enterprise. The last tier of the government

is Local Government comprises of city council, municipal council and district council. The Statutory Bodies are incorporated under respective acts and Government Linked Companies which are incorporated under the Companies Act 1965. Also, the second tier of the government is the State Government that also consists of ministries but only for Sabah and Sarawak, departments and public enterprises. The last and third tier of the government is the Local Government that is governed by the Local Government Act 976 which consists of city council, municipal council as well as district council. Public enterprises can be classified either as statutory or non-statutory bodies. The different between these two bodies is that, the setting up of a statutory body is governed by law and also considered as part of the Public Service but non-statutory bodies are established in accordance to the Companies Act 1965 and not subjected to government control (Fatimah et. al, 2009). Table 2.1 shows the meaning of departments related with public sector.

Table 2.1   Definitions of Terminology

Terminology	Definitions
Central Agencies	Refer to the agencies that are involved in formulating public policies coordinating, controlling and monitoring the various activities, programmed and projects carried out by all government agencies
Department Section	Is a specialized division of a large organization.
Federal Government	Is a government that operate at federal level consists of Ministries Departments, Units, Public enterprise.
Federal Statutory Bodies	Is the bodies incorporated pursuant to the provisions of any law, but doe s not include a local authority and a body incorporated under the Companies Act 1965.
Government Agencies	Are a national or state-controlled organization established by legislation or by executive powers or executive or administrative order. The main responsibilities are to implements the policies, laws and programmed of the government and advice a Minister.
Government Department	Is a department of government authorities or government regime that is the governing authority of a political unit.
Local Government	Are governments that have a limited autonomy power and responsible for local area only.
Ministry	Is a specialized government organization responsible for a sector of government public administration, led by a minister that can have responsibility for one or more departments agencies, bureaus, commissions or other smaller executive, advisory, managerial or administrative organizations.
Public Sector	Is refer to all organizations which are not privately owned and operated, but which are created, managed and finance by the government on behalf of the public.

2.2.1 2.3.1 Composition of Public Sector Administrative Malaysia

The composition of the Malaysian Government or public sector in term of its administrative structure can be divided into two broad levels, the Federal government and their federal agencies and the States Government and their agencies. General picture of that structure is shown in Figure 2.1.
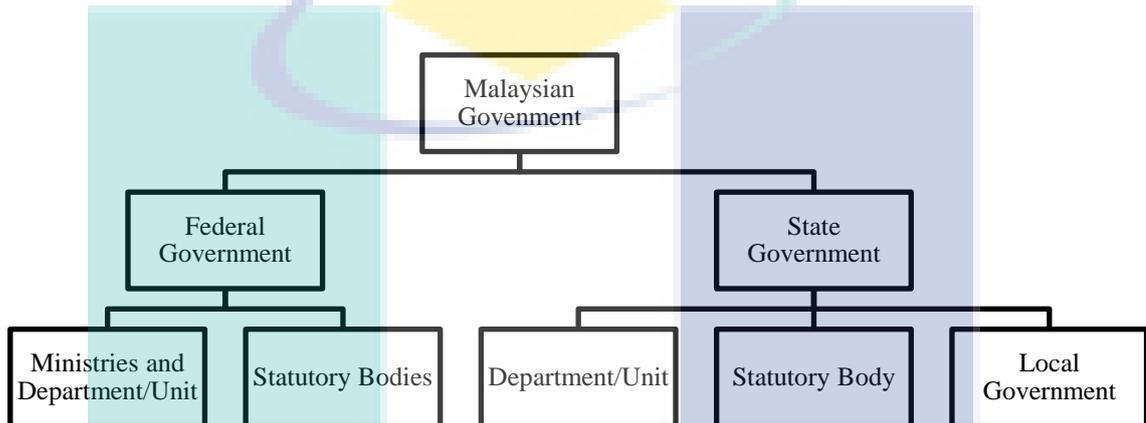
Figure 2.1 Composition of Public Sector Administrative in Malaysia in West Malaysia

The Government of Malaysia refers to the Federal Government or National Government authority. State government comprise of department (e.g. Jabatan Tanah dan Galian, Jabatan Agama Islam), Statutory body (e.g. Lembaga Muzium Negeri, Perbadanan stadium Negeri, Perbadanan Kemajuan Ekonomi Negeri, Yayasan Pahang), Local government (Majlis Perbandaran Kuantan, Majlis Daerah Bentong, Majlis Bandaraya Ipoh). This study focuses on the Federal Government.

2.3 Federal Government

Federal Government comprise of (i) ministries, (ii) department/unit and (iii) statutory bodies, which will be further elaborated in the next section.

2.3.1 Federal Ministries

Ministries at the federal levels are the highest federal agencies in the federal administrative machinery. Each ministry is headed by a minister (political-head) and has a chief executive officer (Controlling Officer) known as the Secretary-General, to

assist him. Ministries is established by an executive order/cabinet directive. The organizational structure of ministry is divided into several divisions, departments, sections or units, depending on its size. It is also the responsibility of the ministry to control departments and statutory bodies under its jurisdiction. Examples of ministries at the Federal level are Ministry of Information, Communication and Culture, Ministry of Foreign Affairs, Ministry of Science, Technology and Innovation, Ministry of Youth and Sports, Ministry of Transports, Ministry of Education, Ministry of Health and Ministry of Finance.

2.3.2 Federal Departments

Departments are the second highest level and they are responsible for implementing the government policies, programs and projects, conducting research and enforcing laws. The function of a department is related to certain policy determined by the government. The service provided by the Federal Departments include security, social development, social welfare services, health care, issuing international passports and other travel documents. A government department is headed by a Director-General who is responsible for administering the law under the purview of his or her department. Examples of Federal Departments are Department of Malaysia, Departments of Civil Aviation, Marine Department of Malaysia, Department of Statistics, Health Department, Road Transport Department, National Registration Department and Department of Education.

2.3.3 Federal Statutory Bodies

Federal Statutory bodies are established by statute (Act of Parliament). They are also known as public corporation and are wholly owned by the government and are established for business, commercial or financial. Federal Statutory Bodies have autonomy power in their administration and financial matters. Administratively, statutory bodies have their own board of directors and its chairman is appointed by the ministries who control statutory bodies. Examples of statutory bodies are Bank Negara Malaysia, Malaysia Industrial Development Authority (MIDA), MATRADE, FAMA, FELCRA, MARDI, Malaysia Cocoa Board, all public universities, Bank Negara Malaysia, Lembaga Tabung Haji and Bank Simpanan Nasional (BSN).

2.4   Ethics and Integrity System in Malaysian Public Sector

Malaysia has been a successful developing country and is forging ahead to become a developed nation in its own mould. In order to be more successful, Malaysia needs to manage effectively and overcome its weaknesses and shortcomings. A major challenge Malaysia has to address in this endeavour is the strengthening of ethics and integrity. The government is aware that the public sector is the most important instrument in management and administration, as well in the delivery of services and national development. Ethical practices and integrity need to be fostered in the public sector. Integration, internalization and inculcating good moral values and being free of corruption and abuse of power should continuously be developed and strengthened. Since independence, the government has introduced various program aimed at enhancing good moral values and integrity in public sector.

2.5   Development of Malaysian Ethics and Integrity In The Public Sector

The government acknowledged that ethics and integrity in the public sector is important as it is needed to manage and administer an organisation and also contributes to better delivery services and national development. Table 2.2, shows the initiatives undertaken by the Malaysian government to enhance ethics and integrity in the Malaysian public sector. Amongst the initiatives that includes the appointment of the Chief Integrity Officer (CIO) and the implementation of the Certified Integrity Officer (CeIO) programme by the Malaysia Anti-Corruption Academy (MACA).

Table 2.2   Initiatives taken by Malaysian Government to Promote Ethics and   Integrity in the Malaysian Public Sector.

Year	Milestone
1950	Prevention of Corruption Ordinance
1961	Prenvention of Corruption Act
1967	Anti-Corruption Agency (ACA) – Anti-Corruption Act 1967
1980	Introduced "Clean, Efficient, Trustworthy"
2004	Establishment of the Malaysian Institute of Integrity (MII) Launching of the National Integrity Plan (NIP)
2006	Establishment of the Malaysia Anti-Corruption Academy (MACA)
2008	Establishment of the Corporate Integrity Development Center (CIDC) * Putting the Chief Integrity Officer (CIO) from ACA Cadre at ministries, departments, agencies in high risk unethical scandal.
2009	**Transformed:** Anti Corruption Agency (ACA) to Malaysia Anti-Corruption Commission (MACC's) – MACC Act 2009 Implementation of the Certified Integrity Officer (CeIO) Programme Establishment of Committee on Integrity (CIG)

2013	Established of the Agency Integriy Management Division (AIMD)
2014	Establishment of Integrity and Governance Committee - Chief Integrity Officer (CIO) have a certificate of integrity officer as its Head Integrity Unit
2019 - 2023	National Anti-Corruption Plan (NACP)

The Malaysian government has implemented ethics and integrity initiatives even before it gained independence in 1957. In 1950 for example, a commission report on the "Integrity of the Public Services" focusing on corruption offenders was produced by following the enactment of the Corruption Prevention Ordinance 1950 (UKM, 2007). The Corruption Prevention Act 1961 later ensued. In addition, the Anti-Corruption Agency (1976) was established to eliminate corruption and to hinder the act of negligence in the public sector's various departments. Malaysia has been successfully transforming the country from one that is developing into one that will be developed. The government introduced the strategy known as "Clean, Efficient and Trustworthy" in the 1980s to replace the 1950 Prevention of Corruption Ordinance and the 1961 Prevention of Corruption Agency Act with the aim of ensuring the prevention of corruption and increasing the practise of integrity in the public sector's various departments (Lokman. A & Talib T. A, 2016).

Moreover, to introduce accountability in spending in the public sector, the government established several control mechanisms. In 2004, the Malaysian Institute of Integrity (MII) was established as an initiative by the government to create a nation with a high level of integrity which would be resilient and embody the universal good value. In the same year, the National Integrity Plan (NIP) was introduced as a major effort made by government to promote a culture of integrity. MII provides a framework that would support the effective coordination and implementation of NIP which is chaired by the Chief Secretary to the government and governed by a Board of Directors. MII is responsible for monitoring, coordinating and implementing particularly devising appropriate indices to measure performance in achieving NIP targets. The NIP targets are achieved by preparing annual reports to the Malaysia Integrity system and organizing conventions of stakeholders to debate on integrity issues and also to seek new and innovative ways to move forwards (Siddique, 2010).

In 2006, the Malaysian government established the Malaysia Anti-Corruption Academy (MACA) to provide trainers and experts to formulate and conduct, training, seminar and workshop on fighting corruption. In 2008, the government established the

Corporate Integrity Development Centre (CIDC) which is responsible for developing course modules for the Certified Intgerity Officer program. The course modules are developed with the cooperation of government agencies and government-linked company (GLCs). In August 2008, MACC placed their Chief Integrity Officers as a cadre at ministries, department and agencies governments that have a high risk of corruption. There are three levels of risk in the public sector and they are high risk, medium risk and low risk. The federal government is said to have a moderate to high risk and the state government is said to have a low risk in Circular No.6 (2003).

On 1ˢᵗ January 2009, ACA was transformed to become the Malaysia Anti-Corruption Commission whose main function is to enforce the law to prevent corruption. There are three pillars of integrity which are (i) education and awareness (ii) prevention and government and (iii) detection and consequence management (Norazlan M.R, 2013). In 2009, the Committee on Integrity Governance (CIG) was established. Its purpose is to improve the administration of the government, enhance governance, reduce bureaucratic and prevent corruption. The Certified Integrity officer programme requires a CIO to undergo a six-months training by MACA. This programme hopes to be able to curb unethical issues at various levels of the organizations. The objectives of the programme are (i) promote compliance in terms of laws and regulations, system and procedure, (ii) foster zero tolerance towards fraud, corruption and abuse of power and also (iii) consults and advise the organisation's management on awareness and preventive measure (NKRA E-Newsletter, 2013). This is one of efforts initiated by the government to increase ethics and integrity in public sector.

In the year 2013 upon the recommendation by MACC, the Integrity unit was established to further enhance integrity in all federal and state government agencies. This will prevent the criminal misconduct ann also violations of the code of conduct and ethics in the civil services organization. The CIO is assigned as the Head of the Integrity Unit and will have a certificate as an integrity officer. The CIO will manage and implement effective initiatives in integrity, managing complaints, prevention, compliance and also detect disciplinary actions in governments agencies.

In 2019, the Malaysian government has promoted a new initiative to combat corruption which is the National Anti-Corruption Plan (NACP) and was launched by the Prime Minister of Malaysia, Dato' Dr. Seri Mahathir Mohammed. The National

Anti-Corruption Plan (NACP) is an anti-corruption policy in Malaysia that reflects the people's expectations for a greater corrupt-free nation that promotes transparency, accountability and culture integrity in every Malaysians. The National Anti-Corruption Plan replaced the National Integrity Plan. With the establishment of NACP, it is hoped that the ranking of corruption will decrease and Malaysia will become a good example for other countries and they will follow Malaysia as a benchmark in combating corruption in the public sector.

2.6   Importance of Chief Integrity Officer in the Public Sector

The Malaysian Anti-Corruption Commission (MACC) 2010 Annual Report, states that out of the 381 people charged, 193 were members of the public, followed by 131 civil servants, 56 private sector employees and one politician. It is said that 811 cases were handled by the lower courts in the year 2010, including over 300 new cases. A total of 435 cases were disposed of including, 309 cases in which the accused were convicted and 103 cases in which the accused were acquitted and discharged without their defence being called. The report also stated that out of a total of 769 appeal cases were heard by the High Court and Court of Appeal. It is added that those convicted of bribery had been slapped with fines amounting to RM9.5 million.

MACC commissioner Datuk Seri Abu Kassim Mohamed said the agency strived to convince the public about its transparency and professionalism in fighting corruption in the year 2010. In a prelude to the report, he said it was not an easy task as he had to grapple with the issue of negative image and misconceptions with regard to its legal scope as well as prejudices resulting from inquests. MACC opened 1,220 investigation papers (IPs) based on 5,646 pieces of information. He said MACC had focused on investigating cases involving illegal mining and sand smuggling, illegal logging, corruption at the country's entry points as well as distribution of diesel subsidy. It shows that unethical and not integrity action in the public sector can become a critical issue as compared to the private sector (Ali, 2015).

To prevent this issue, the Malaysian governments has established Malaysia's Anti-Corruption Agency which was founded in 1967 by merging three earlier bodies. An Anti-Corruption Unit had been set up in the Prime Minister's Department as early as 1959. The main functions of the ACA were (and are):

i.   To investigate and prosecute offences of corruption;

ii. To prevent and curb corruption in the public service;

iii. To investigate the conduct of civil servants.

In a meeting in the year 2008, the "Khas Jawatankuasa Keutuhan Pengurusan" (KJKKP) agreed that MACC/SPRM will be putting the Senior Officer as Chief Integrity Officer (CIO) as cadre at the Ministry Department Agency. Thus, the importance of putting CIO is a responsibility to combating corruption, fraud, abuse of power in the public sector organization. Appointed Chief Integrity officer from MACC in the public sector can be traced through misconduct of employees with the immediate actions by CIO. Furthermore with the assist from CIO in the public sector, it can mitigate the risk of corruption, fraud, abuse of power in the government agencies to improve and will also increase the level ethics and integrity in the public sector. The effectiveness of the quality of CIO can be seen from their achievements which are reducing the corruption statistics and misconduct employee in the public sector organization, through the MACC reporting. Thus, CIO should be a part of the public sector.

2.7   Coordination and Reporting of Chief Integrity Officer (CIO)

The Agencies Integrity Management Department or MACC's coordinates the implementation function of the Integrity Unit. This department's responsibility is preparing principle and mechanism integrity management at agencies. To measure the effectiveness of implementation, the Head of Integrity Unit needs to submit a report on its implementation to Secretary General / Head of Department and Agency Integrity Management Department (MACC) for every four months before the 15th day of May, September and January. The following shows the flowchart of Integrity Unit establishment in public agencies (Figure 2.2).

Ratings of Agency Risk

SPRM implementation of ratings agency risk and informed to agency and Organizational Development Organization (BPO), JPA

Determination of Structure And Recruitment

BPO, JPA and agency to created Integrity Unit based on ratings SPRM

Acknowledgement to the Treasury

JPA will propose of structure acknowledgement and recruitment Integrity Unit to Treasury

Warrants Designation / Approval Letter Designation

The treasury will release warrants designation/Approval Letter designation to agency and copies to JPA, Head of Services and State Accountants Department

Place of Officers

| * To full fill the position of cadre, candidates need to apply through the agency from Head of Services | * To full fill the position others based on relocation |

Mechanism of Reporting

Head of Integrity Unit needs to submit a report on its implementation to Secretary General / Head of Department and Agency Integrity Management Department, MACC for every four months before the 15th day of May, September and January.

Training Needs

Personnel of Integrity Unit at the agency requires qualification of Certified Integrity Officer (CeIO) or other qualifications recognized by the Board of Accreditation as the Integrity Officer managed by MACC CeIO Courses conducted by MACC Academic Anti-Corruption Commission (MACA)

Re-rating

The risk of a re-rating agency carried out every three years or following needed.

Figure 2.2   Flowchart of Integrity Unit Establishment in Public Agencies: JPA(BPO)(S)215/65/5 Jld.13(8)

Meanwhile, the Agency Management Integrity Division (AMID) was established following the Service Circular No. 6 of 2013 effective 1st June 2013. This division is tasked with coordinating the Integrity Unit's functions in public agencies at the Federal and State level. In addition to manage the placement of MACC officers as integrity officers in an agency's Integrity Unit, this Division is also responsible for outlining policies and mechanisms of integrity management. Other roles include coordinating and guiding Integrity institutionalization programmers organized by an Integrity Unit. Furthermore, Integrity Units could also solicit consultation and assistance in matters related to integrity management from AMID. MACC through AMID, also rates corruption risk in agencies to determine the appropriate model for the specific agency's Integrity Unit. This is the best platform for integrity officers, particularly those among MACC officers, to raise issues that require specific attention from the Top Management. Besides that, MACC also holds meetings with non-MACC Heads of Integrity Units to aid in resolving issues in the implementation of an Integrity Unit's functions (Malaysian Anti-corruption Commission, Website)

2.8 Implemention of Chief Integrity Officer (CIO) and Certified Integrity Officer (CeIO)

Even the existence of Chief Integrity Officer whose responsibility is to curb and combat corruption, there is still a rising of number fraud cases and abuse of power in the Ministry and Department organization. Yet, due to the rising number of corruption cases and integrity related offences committed by civil servants, it is a common notion for the public to have negative perception towards civil servants. Thus, Special Cabinet Committee on Government Management Integrity has requested MACC to assist in establishing the Chief Integrity Officer (CeIO) position in government agencies to enhance efficiency and mitigate the risk of corruption in government agencies. Subsequently, MACC through its Corporate Integrity Development Center (CIDC) of the Malaysia Anti-Corruption Academy (MACA), developed the Certified Integrity Officer (CeIO) program to train government officers in preparation for assuming the Chief Integrity Officer's position. The CeIO is a training program certified by CeIO'S accreditation board and recognized by the Malaysian government.

The efforts undertaken by the MACC not only covers enforcement but also involves preventive measures. Thus, in 2011, the Commission was able to obtain the

approval of the Special Cabinet Committee on Government Integrity (JKKMKPK). It is chaired by the Prime Minister to implement the Integrity Officer Certification Programme in order to enhance the integrity of government agencies. The directive requires that all Department Heads place Certified Officers in the department and their agencies (Anti-Corruption Commission, 2013).

Certified Integrity Officer Program is designed to produce Chief Integrity Officer whose role is to plan, implement and monitor the effectiveness of integrity programs in ministries, departments and agencies, respectively. The program comes about with the decision of a Special Committee Meeting conducted by the Integrity Management Committee (CMC), which was chaired by the chief secretary of the government on 18th of August 2008 that requested MACC to place a senior officer as the Chief Integrity Officer's cadre in the department or agency that are seen as having high risk to involve in corruption. The reports of the officers were then presented to JKKMKPK. It is also agreed that MACC should provide advice to departments who wanted to place their own Chief Integrity Officer (AntiCorruption Commission, 2013).

The Prime Minister's Directive Circular No.1, 2009 and Series 1 No. 1 2011 outlined the important steps to promote integrity in organizations, which one it is the implementation of the Certified Integrity Officer (CeIO) programme. This directive is the mandate given for the establishment of Committee on Integrity Governance (CIG) in all government ministries and department. CeIO has to report to the Prime Minister's Department and MACA (Malaysian Anti-Corruption Academic) directly. This reporting level is to maintain the Independence of CeIO including independence of CeIO in high risk Government Link Companies (GLC). It is expected for the CeIO in the public sector to assist Malaysia to achieve greater integrity, cleaner, more transparent and corrupt-free governance. The government also hopes that the private sector will also have an integrity officer in their organization.

This programme was accepted by JKKMKPK (Jawatankuasa Khas Kabinet Mengenai Keutuhan Pengurusan Kerajaan) meeting on 30th Mac 2010. It has been agreed that the CeIO's role include planning, implementation and monitoring the effectiveness of integrity programme in both the public and private sector. This is one of the efforts initiated by the government to increase ethics and integrity in both public and private sector in accordance with what is required in the National Integrity Plan (NIP)

that was launched on 23rd of April 2004. This programme hopes to be able to curb unethical issues at various levels of the organisation. In addition, it is hoped that the private sector will join forces with the government to ensure the existence of Certified Officers in all organisations.

Recruitment of participants of the program is 2 times a year and to obtain a certificate for the certified integrity officer, participants must follow CeIO's programs for 6 months on a part time basis. Officers appointed as CeIOs are required to attend training programs such as lectures, seminars or integrity workshops, site visits or case studies and working papers. Participants who have successfully attended the training programme, will be awarded certificates that will make them eligible to be CeIOs (Circular Program of CeIO, 2009;2011). Figure 2.3 shows the evolution of CeIO programme from 2008 to 2015. However, this study will use the CIO as representative because both positions are responsibility of implementing integrity management within the organization.

| 18.08.2008 | • Meeting of the Management Integrity Committee to declare that MACC/SPRM putting the Senior Officer as Head of Integrity Officer as cadre at Ministry and Department and Agency |

| 30.03.2010 | • Meeting of the Management Integrity Committee and the government to agree that the CeIO Programme will be implemented |

| 28.02.11 | • Prime Minister Directive No. 1 2009, Series 1 No, 1 Year 2011- Implementation of Certified Integrity Officer (CeIO) programme enforceable |

| 2012 | • Opening Ceremony of Certified Integrity Officer Programme by YAB Prime Minister
• i) 13.02.2012 – 15.05.2012: Programme CeIO Series 2 Bil 1 Year 2012
• ii) 09.07.2012 – 16.10.2012: Programme CeIO Series 3 Bil 2 Year 2012 |

| 2013 | • Convocation of the Certified Integrity Officer for 2nd time
• i) 18.02.2013 – 21.05.2013: Programme CeIO Series 4 Bil 1 Year 2013
• ii) 15.07.2013 – 29.10.2013: Programme CeIO Series 5 Bil 2 Year 2013
• 20.10.2013: Established of Association Integrity Officer Accredited |

| 2014 | • i) 20.01.2014 – 15.04.2014: Programme CeIO Series 6 Bil 1 Year 2014
• ii) 17.02.2014 – 29.10.2014: Programme CeIO Series 7 Bil 2 Year 2014
• 10.04.2014: Convocation of the Certified Integrity Officer (CeIO) for 3nd time
• iii) 15.06.2014 – 30.09.2014: Programme CeIO Series 8 Bil 3 Year 2014 |

| 2015 | • i) 08.02.2015 – 14.04.2015: Programme CeIO Series 9 Bil 1 Year 2015
• 10.04.2015: Convocation of the Certified Integrity Officer (CeIO) for 4nd time
• ii) 19.04.2015 – 16.06.2015: Programme CeIO Series 10 Bil 1 Year 2015
• iii) 02.08.2015 – 13.10.2015: Programme CeIO Series 11 Bil 1 Year 2015 |

Figure 2.3   Historical Developmenet of CeIO Programme in Malaysia.

2.8.1 Programme Objective

The CeIO Programme was officially launched by Prime Minister Datuk Seri Najib Tun Razak at the Putrajaya International Convention Centre (PICC) on 27th February 2012 in a graduation ceremony where 24 officers received their scroll from the Prime Minister. With their qualification certified by the Certified Integrity Officer Accreditation Board, these officers proudly carry the CeIO title. The programme proved popular both locally and internationally. By the end of 2013 MACA has produced 150 CeIOs and they have even formed their own association which was the Association of Certified Integrity Officers (ACeIO). According Anti-Corruption Director to National Key Result Areas (NKRA), Datuk Hisham Nordin, CeIO is free to conduct their tasks without being influenced by parties' departments or agencies in performing the task. CeIO needs to follow the directive by MACA and its only answerable to them. The CeIO programme is in line with the government's aspiration as laid out in the fourth challenge of the National Integrity Plan in developing a society with high levels of integrity and infused with strong moral and spiritual values (NKRA E-Newsletter, 2013).

2.8.2 Role of Certified Integrity Officer (CeIO)

Certified Integrity Officer Program is designed to produce Chief Integrity Officers whose role is to plan, implement and monitor the effectiveness of integrity programs in ministries, departments and their agencies. It also encourages the private sector to be involved in the implementation of the Certified Integrity Officer in their respective organizations. The program was originally followed the decision of the Special Meeting of the Integrity Management Committee (IMC), chaired by Chief Secretary on 18th August 2008 requesting the ACA to place a senior officer as chief integrity officer for cadres in the department or agency which is seen at risk high corruption. This decision was subsequently presented to the JKKMKPK and chaired by the Prime Minister on 3rd November 2008 and it was decided that the ACA provides advice to departments that want to create their own chief integrity officer.

The Certified Integrity Officer (CeIO) Programme, conducted by the Malaysia Anti-Corruption Academy (MACA), was aimed at producing accredited CeIOs in government agencies, government-linked companies (GLCs) and private companies.

The CeIO Programme was also well-received internationally through the programme participation by participants from foreign countries and the Malaysia National Integrity Plan model was acknowledged as an example to model in the integrity management development program for their respective countries. The CeIOs' responsibility is to be the core function of the Integrity Unit Department in respective to (circular series 1 No.1 2014): (i) Coordinate and monitor integrity programmes; (ii) Report any breach of integrity (iii) Coordinate the actions taken on breach of integrity; (iv) Implement a recovery program on integrity; (v) Publication of integrity related articles; (vi) Assist and support JKTU secretariat; (vii) Advise management on integrity matters; (viii) Monitor the services delivery system of the organization; (ix) Act a liaison officer organization to CIDC; and (x) Ensuring compliance to directives/regulations issued by the organization.

The Chief Secretary to the Government reminded that the inspiration of the Integrity Unit in every public agency be understood and embraced to prevent the occurrence of criminal behavior and misconduct. He also expressed the hope that the CeIOs would continuously enhance the integrity of the organization and act as a catalyst for stabilizing the culture of integrity in the country.

In order to increase the efficiency and to reduce the risks of corruption in government agencies and departments, the Special Cabinet Committee on Management Integrity was set up. The committee required the Malaysian Anti-Corruption Commission (MACC) to assist in placing one person to be the Chief Integrity Officer in government department and agencies. Malaysian Anti-Corruption Commission (MACC) through Corporate Integrity Development Centre (CIDC), that existed under Malaysia Anti-Corruption Academy (MACC). The MACC was asked to plan the CeIO programme in order to train the government officers to prepare them for the position. The CIDC is placed in the ambit of the Certified Integrity Officer (CeIO) and the CeIO is not appointed "in-house" but through recruitment of new staff that are not related to any officers or employees of the department or agency. To receive CeIO officers need to undergo a six-month training period from the Malaysian Anti-Corruption Academy

(MACA). To date, around 180 officers have begun to be placed in various locations by Minister in Department Prime Minister said Datuk Paul Low. Meanwhile, spokesperson from MACC revealed that committee have been planning to come out with approximately 600 Certified Integrity Officer in the next few years.

2.9   Ethics and Integrity Initiatives in Asian and Globally

Corruption undermines good governance, distorts public policy, leads to misallocation of resources and hurts economic growth (Bardhan 1997; Rose-Ackerman 1999). Consequently, governments and international agencies have diverted much efforts searching for effective measures to control this menace. These efforts has produced a variety of strategies and institutional innovations around the world. In recent years, leading international organizations like Transparency International (TI) and the World Bank emphasized on development of the national integrity system as an effective strategy for containing corruption. A popular choice has been the establishment of a strong and centralized anti-corruption agency which modelled along the lines of those in Singapore and Hong Kong with clear mandates to confront the problems of corruption. (Siddiquee, 2010).

The Corrupt Practices Investigation Bureau (CPIB) is responsible for the investigation and prevention of corruption in Singapore. CPIB is an independent agency and is the world's oldest anti-corruption agency established in 1952 by the British colonial government. As the sole agency in Singapore which investigates corruption offences, the CPIB is constantly striving to keep Singapore corruption-free and ensuring that offenders are brought to justice. Singapore is widely recognised as a country with zero-tolerance for corruption. The Transparency International Corruption Perceptions Index 2016 ranked Singapore as the 7th least corrupt country in the world. Singapore has also maintained its first-place in the 2016 Political and Economic Risk Consultancy (PERC) annual survey on corruption. CPIB also plays an active role in the international community's fight against corruption. In this regard, CPIB participates in a number of international platforms which seek to bring together relevant stakeholders to tackle the global scourge of corruption (Corrupt Practices Investigation Bureau, 2017).

Hong Kong is also internationally renowned for its pioneering role in the fight against corruption. Since its inception in 1974, the Independent Commission against

Corruption (ICAC) Hong Kong has embraced a three-pronged approach of law enforcement, prevention and community education to fight corruption (Au Yeong, 2000). Hong Kong has now become one of the cleanest places in the world, with the support of the Government and the community. Hong Kong has consistently remained in the band of the top 20 economies with very low levels of corruption in the world in the Corruption Perceptions Index since its launch in 1995. The city is ranked the 15th least corrupt place among 176 countries/territories in the Corruption Perceptions Index 2016. Transparency International has acknowledged ICAC Hong Kong as one of the very first anti-corruption commissions and has been identified as a success story and seen as a model to follow by many governments setting up anti-corruption commissions in March 2013. On the other hand, United Nations Development Programme has been recognized by ICAC as one of the successful models for reducing corruption effectively (TI, 2016).

While Singapore and Hong Kong have been highly successful because of their government's strong commitment to fighting corruption supported by effective governance and favourable policy context, anti-corruption efforts in many other countries of the region have failed to produce desired results and in fact, faced numerous obstacles given the absence of such critical factors. Despite poor CPI ranking in Indonesia, the country's newly established apex body Corruption Eradication Commission (KPK) has mounted a serious and robust anti-corruption campaign and also have arrested and prosecuted a growing number of powerful officials (Siddiquee, 2010).

The initiatives for institutionalizing a robust anti-corruption strategy have also taken by Brunei through the establishment of Anti-Corruption Bureau (ACB) since 1982. In the 31 years since its establishment, ACB has investigated 2,469 cases of alleged corruption. From those investigations, 284 people were brought to court to face criminal charges, with 231 of them convicted for offences ranging from bribery, criminal breach of trust, submitting false financial claims, cheating, and receiving sexual gratification in exchange for favours. In addition to the individuals serving time, 260 public servants have also been dismissed or reprimanded for using their position for personal gain or for showing favour or disfavour to members of the public they have dealt with in their official capacity. Some of the administrative punishments have

included suspension, demotion, and cancellation of annual bonus among others (Anti-Corruption Bureau, 2017).

Other initiatives around Asia include the launching of ADB/OECD Anti-Corruption Initiative for Asia and the Pacific in 1999 by the Asian Development Bank (ADB) and Organisation for Economic Co-operation and Development (OECD). There are currently 31 countries and jurisdictions of the Asia-Pacific which are party to the Initiative for example Afghanistan; Australia; Bangladesh; Bhutan; Cambodia; People's Republic of China; Cook Islands; Fiji Islands; Hong Kong, China; India; Indonesia; Japan; Kazakhstan; Korea; Kyrgyz Republic; Macao, China; Malaysia; Mongolia; Nepal; Pakistan; Palau; Papua New Guinea; the Philippines; Samoa; Singapore; the Solomon Islands; Sri Lanka; Thailand; Timor-Leste; Vanuatu; and Vietnam (OECD, 2017).

Globally, The United Nations Convention against Corruption (UNCAC) is the only legally binding universal anti-corruption instrument. The Convention's far-reaching approach and the mandatory character of many of its provisions make it a unique tool for developing a comprehensive response to a global problem. The Convention covers five main areas: preventive measures, criminalization and law enforcement, international cooperation, asset recovery, technical assistance and information exchange. The Convention covers many different forms of corruption, such as bribery, trading in influence, abuse of functions, and various acts of corruption in the private sector (United Nations Office of Drugs and Crime, 2017).

International Association of Anti-Corruption Authorities (IAACA) was established in October 2006 with the aim of facilitating the implementation of UNCAC and advancing the agenda of international cooperation against corruption. Spearheaded by the People's Republic of China with support from the United Nations Office on Drugs and Crime (UNODC), the IAACA currently has more than 300 organizational members comprising of law enforcement institutions tasked with fighting corruption and more than 2000 individual members including prosecutors, investigators and experts with experience in anti-corruption research or practice (Corrupt Practices Investigation Bureau, 2017).

Although there are variations across nations Stapenhurst and Langseth (1997) have identified some of the key pillars of the national integrity system. These include public sector anti-corruption strategies, watchdog agencies, public participation in democratic process, public awareness and the role of civil society groups, accountability of the judicial process, the media, the private sector and international cooperation. In this report, our discussions will mostly focus on the first two of these pillars. It is argued that these pillars are interdependent on one another and hence it is important to ensure coherence and balance among them for greater effectiveness of anti-corruption drives. It must be noted that institutions are necessary, but they are by no means sufficient for effectively curbing corruption and enhancing integrity. The effectiveness depends to a large extent on political will of the government in combating it, level of governance and the nature of its policy context (Siddiquee, 2010).

2.10   Chapter Summary

This chapter provides brief overview on initiatives taken by Malaysian government to ensure ethics and integrity is practiced in the public sector organizations specifically. It also describes various parties related to these initiatives and the history of development of Certified Integrity Officer program. The following chapter will further discuss the previous research conducted in relation to ethics and integrity as well as the factors influencing it.
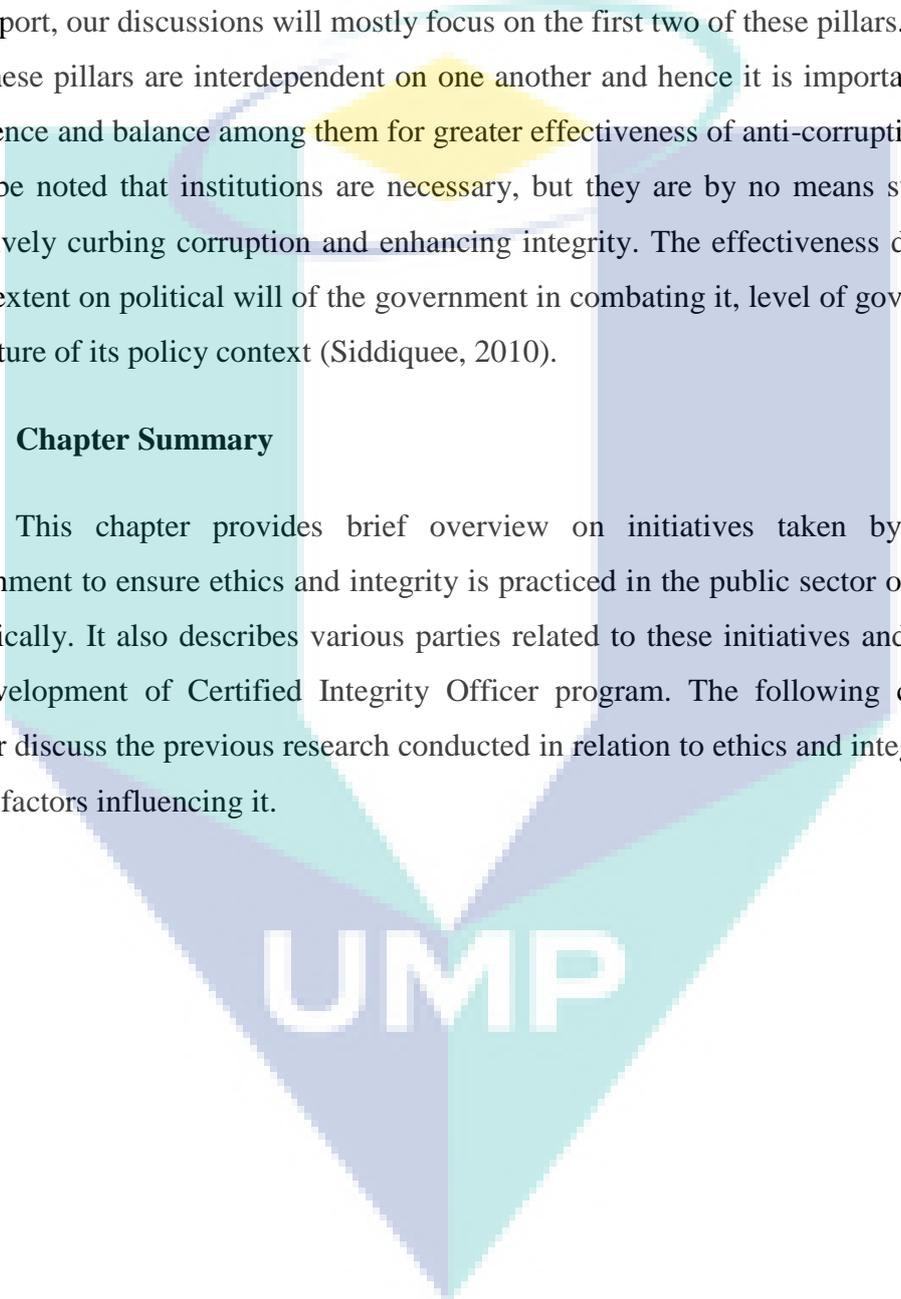
CHAPTER 3

LITERATURE REVIEW

3.1   Introduction

This chapter discusses the theory, definition and past research pertaining to level of ethics and integrity, factors influencing level of ethics and integrity and the outcome of this variable. This chapter provides a comprehensive literature review on the topic of this study which then is used in formulating the theoretical framework and hypotheses development for this study.

3.2   Theory

This study applies two theories. The first theiry, Hunt and Vitell Theory of Ethics, explains the relationship of Quality of CIO (Independence, competence, work performance) and ethical climate to level of ethics and integrity.

3.2.1   Hunt and Vitell Theory of Ethics

The theory describes and explains how people actually behave (Tsalikis & Fritzsche, 1989). The original version of Hunt and Vitell's Theory of Ethics (1986) is more on positive rather than normative approach (Torres, 2001). This theory explains how individuals arrive at level of ethics and integrity in the organizations. Hunt-Vitell theory of ethics is shown in Figure 3.1.
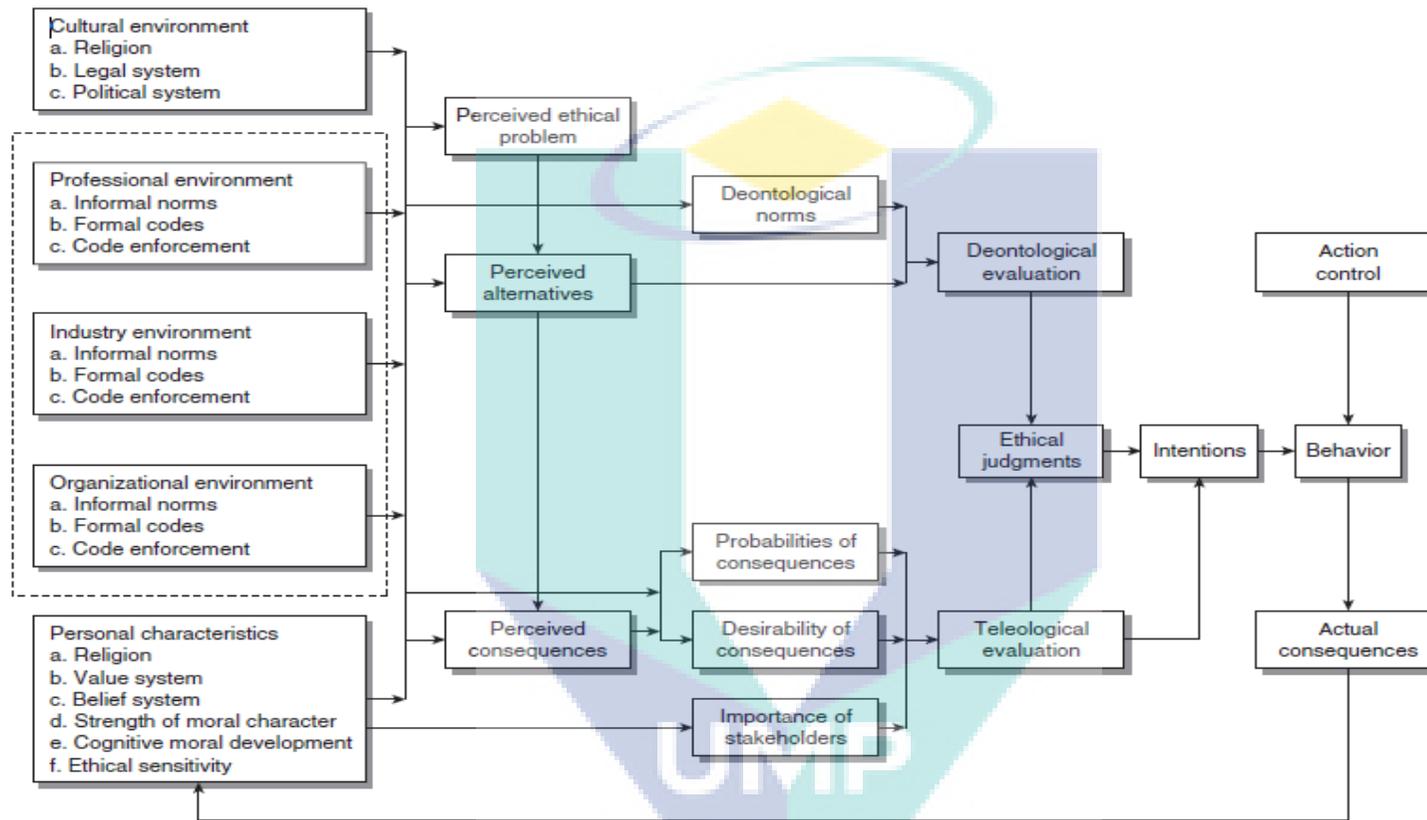
Figure 3.1   Hunt-Vitell Theory of Ethics

Source: Hunt and Vitell (1986; 1993)

Note: The portion of the model outside the dashed lines constitutes the general theory. The portion inside the dashed lines individuates the general model for professional and managerial context.

Previous research (Ferrell & Gresham, 1985; Hunt & Vitell, 1986; Pimentel, Kuntz, & Elenkov, 2010) have proposed two distinct contingency frameworks for the examination of ethical decision-making rooted on marketing ethics. The first framework (see Figure 3.1) advances that ethical dilemmas are brought forth by the social and cultural environment in which decision-makers are embedded, and that the interplay of personal characteristics (i.e. attitudes and knowledge) with organizational factors (i.e. the existence of well-established codes of conduct and the role of modelling effects in which leadership constitutes an example) will have an impact on individual decision making, which subsequently affects the ethical behaviours enacted (Ferrell and Gresham, 1985).

The second framework, proposed by (Hunt & Vitell, 1986) offers an intricate model where in the organizational, business, and cultural environments, along with personal characteristics, influence the perception of ethical dilemmas, potential alternatives and anticipated consequences. These perceived factors will in turn determine an evaluative process that culminates with ethical behaviour and the actual consequences of this behaviour have a posterior impact on the individual's belief system which affects future deliberations. Contrary to Ferrell and Gresham's theory assuming the impact of individual and environmental factors are at the decision and behavioural action stage of the model. Hunt and Vitel's framework suggests that a first step of dilemma, recognition is contingent upon these individual and environmental factors. However, the Hunt and Vitel model also stated that behavioural consequences impact future deliberations regarding ethical issues, presupposing that the decision-maker reaches a "right" or a "wrong" decision which informs subsequent ethical decision making. Moreover, ethical evaluations of behavior are limited to the confines of teleological or deontological ethical theories (Pimentel et al., 2010).

Besides that, after the behaviour variable, there will be an evaluation of the actual consequences of the alternative selected. This is the major learning construct in the model. These actual consequences provide feedback to the category of variables labeled "Personal Characteristics" (Hegarty & Sims, 1978) which examines whether a system of perceived rewards and punishments could change behaviors in a situation involving ethical content. They concluded that "the results lend support to the notion that many individuals can be conditioned (i.e., can "learn") to behave unethically under

appropriate contingencies". Conversely, the H-V theory maintains that individuals can be conditioned to behave ethically.

The H-V model identifies several personal characteristics that might influence specific aspects of the ethical, decisionmaking process. Unquestionably, an individual's personal religion influences ethical decision making. A priori, compared with nonreligious people, one might suspect that (1) highly religious people would have more clearly defined deontological norms and that (2) such norms would play a stronger role in ethical judgments.

Strength of moral character has been argued to be an important moderator for the relationship between intentions and behaviour (Williams and Murphy, 1990). Drawing on Aristotle's virtue ethics, Williams and Murphy emphasize on other thing which are the important function of role models in developing a virtuous moral character (i.e., one having such virtues as perseverance, courage, integrity, candor, fidelity, prudence, justice, public-spiritedness and humility). Thus, those individuals with high moral character would have the strength of will to behave in a manner consistent with their ethical judgments.

In other research by Zakaria, Haron and Ismail (2010), they cited that Hunt and Vitell's (1986; 1993) theory of ethics states that personal characteristic influences perceived ethical problems, which in turn influences the formation of ethical judgement. Perceived ethical problems are individual's recognition of an ethical issue and the realization that he or she is an ethical agent (Jones, 1991). Hence, different people may perceive differently which leads to different reaction even under similar circumstances (Karcher, 1996). Hunt and Vitell (1986) defined ethical judgement as judgments by which one identifies ethical problems and considers alternatives that best solve the problem to attain the most beneficial outcome. As such, it can be concluded that ethical judgement are judgments formed after one has identified ethical problems and has evaluated what is morally "right" or "wrong" according to the profession's ethics, rules and regulations. Additionally, knowledge of ethics influences perceived ethical problems and perceived ethical problems mediate the relationship between knowledge of ethics and ethical judgement (Zakaria et al., 2010).

According to Torres (2001), the Hunt and Vitel theory integrates organizational factors, the individual and professional ethics (Pruden, 1971) and personal experience. The personal experience includes (1) moral development theory (Kolberg, 1981) and other personality characteristics (Hegarty & Sims, 1978) as determinant factors of perceived ethical problem. Hunt and Vitell (1993) then revised the original model by including more details of environmental and personal characteristics. The Hunt and Vitell Theory of Ethics (1993;1986) proceeds in eight sequential stages (1) perception of ethical content (2) perception of various possible alternatives (3) deontological evaluation and teleological evaluation (4) formulation of ethical judgments which is the function of deontological and evaluations (5) formulation of an intention (6) behaviour which is moderated by situational factors (7) evaluations of the actual consequences of action and (8) feedback into personal experience (Torres & Solberg, 2001).

The first phase is perception of ethical content. If one does not perceive the existence of moral issues in a situation, subsequent process in the theory will not occur. Hence, perceived ethical problem is crucial because when one perceived there is an ethical problem, one will react to it. As such, perception of ethical problem is in the formation of ethical level. The motivation behind the first Journal of Macromarketing article built up the H-V hypothesis to (1) give a general hypothesis of moral basic leadership and (2) speak to the hypothesis in a procedure show. The hypothesis would draw on both the deontological and teleological moral conventions in good reasoning.

The H-V model addresses the situation in which an individual confronts a problem perceived as having ethical content. This perception of an ethical problem in the situation triggers the process depicted by the model. If the individual does not perceive some ethical content in a problematic situation, subsequent elements of the model do not come into play. Given that an individual perceives a situation as having ethical content, the next step is the perception of various possible alternatives or actions that might be taken to resolve the ethical problem. It is unlikely that an individual will recognize the complete set of possible alternatives. Therefore, the evoked set of alternatives will be less than the universe of potential alternatives. Indeed, ultimate differences in behaviors among individuals in situations that have ethical content may be traced, in part to differences in their sets of perceived alternatives.

Once the individual perceives the evoke set of alternatives, two kinds of evaluations will take palace, a deontological evaluation and a teleological evaluation. In the process of deontological evaluation, the individual evaluates the inherent rightness or wrongness of the behavior implied by each alternative. The process involves comparing each alternatives behavior with a set of predetermined deontological norms. These norms represent personal values or rules of moral behaviors with a set of predetermined deontological norms. These norms represent personal value or rules of moral behavior. They range from (1) general beliefs about things such as honesty, stealing, cheating and treating people fairly to (2) issue-specific beliefs about things such deceptive advertising, product safety, sales "kickbacks" confidentiality of data, respondent anonymity and interviewer dishonesty. The norms, according to the H-V theory, takes the form of beliefs of the following kinds: " It is always right to…..", "it is generally or usually right to…..", "it is always wrong to ….. " ; and "it is generally or usually wrong to".

In contrast, the teleological evaluation process focuses on four constructs: (1) the perceived consequences of each alternative for various stakeholder groups, (2) the probability that each consequence will occur to each stakeholder group, (3) the desirability or undesirability of each consequence and (4) the importance of each stakeholder group. Both the identity and importance of the stakeholder groups will vary across individuals and situations. For example, the stakeholders may (or may not) include one's self, family, friends, customers, stockholders, suppliers or employees.

Although the H-V theory proposes that the teleological evaluation process is influenced by the desirability and probability of consequences, as well as the importance of stakeholders, no specific information-processing rule such as a lexicographic process is postulated. Indeed, the model proposes that the information-processing rules will differ across different people's personal moral codes. The general consequence of the teleological assessment will be convictions about the relative goodness versus disagreeableness realized by every option, as seen by the leader.

3.3   Ethics and Integrity

Nowadays, the need for proper ethical behaviour within organizations has become crucial to avoid possible lawsuits. Thus, ethics provides a way to situate the

power of integrity bodies in relation to the key ideals of contempory society. Ethics inform practices of justice such as emphasing equality before the law, Ethics shape the structure of accountability and frames the processes of governance. Besides that, ethics also provides a basis for emphasising respect, honesty and responsibility as integral to the action of public servants and ensures that ethical responsibility is part and parcel of the interactions between all members of the public sector (Haigh. Y, 2010).

Ethics is the moral principle which individuals inject into their decision processes (Salehi, Saeidinia, & Aghaei, 2012). It commonly means rules or principles that define the rights and wrongs of conduct. According to a study done by Garret (1970), ethics is the science of judging specifically human ends and the relationship of means to those ends. In some ways it is also the art of controlling the means so that they will serve specifically human ends. Other authors claim that ethics is a fundamental trait which one adopts and follows as a guiding principle of basic 'dharma' in one's life. It implies moral conduct and honourable behaviour on the part of an individual (Paswan, 2015).

Meanwhile, integrity define by Tulloch (1997) as moral uprightness, honesty, wholeness and soundness. Moral is defined as concerned with goodness or badness of human character or behaviour, or with the distinction between right and wrong and concerned with accepted standards and rules of human behaviour. Uprightness is defined as righteous, strictly honourable and honest. Honesty is defined as being honest and truthful. Wholeness is defined as unbroken, uninjured, intact or undiminished. Synonyms of integrity are rectitude, uprightness, righteousness, decency, honour, principle, morality, goodness, virtue, incorruptibility, probity, purity, honesty, veracity and trustworthiness (Hunter, 2014). Integrity is an attribute related to ethics (Kerr, 1998) that reflects more adherences to a moral code (The American Heritage Dictionary of the English Language, 1992) and incorporates honesty and trustworthiness (Northouse, 1997). Werhane & Freeman (1997) define integrity as the quality of oral self-governance at the individual and collective organizational levels (José G. Vargas-Hernández, Adrián de León-Arias, Andrés Valdez-Zepeda, 2012).

Becker (1998) defines integrity as commitment in action to a morally justifiable set of principles and values where by in such a way, it is assumed as a moral justification based on the reality of a universal truth. Integrity is an integral part of good

leadership (Batten, 1997; Covey, 1996; Fairholm, 1998; Manz, 1998; Nix, 1997; Northhouse, 1997; Rinehart, 1998; Sanders, 1994; Wenderlich, 1997; Winston, 1999). Huberts (1998) defines integrity as the quality of acting in accordance with socially accepted moral values, norms and rules. Integrity is a functional attribute prominently cited in servant leadership literature (Covey, 1996; Fairholm, 1998; Kouzes and Posner, 1993; Nair, 1994; Pollard, 1996; Rinehart, 1998).

Lasthuizen (2008) defines integrity as the quality of individual behavior in accordance with the organizational values, norms, rules and obligations and its organizational environment. Personal moral integrity is central to individual integrity that is an individual who accept full responsibility for his actions and any negative consequence. Using the analogy of a water tank, Thomas, Schermerhom Jr., Dienhart, & Batles (2004) explains the commitment to integrity, where the floor is the legal baseline and above is the level of ethics that the organizational management adopts. Integrity should be demonstrated in a complete manner in both individual and organisations that play an important role to help propel the Malaysian's economy to a high income economy (Aziz, 1999).

As summarized in Table 3.1, a comprehensive review of the various meanings of integrity in management literature can be classified into five general categories which are wholeness (character); consistency of words and actions (promise keeping); consistency in adversity, temptation or challenge courage; being true to oneself (authenticity); and moral/ethical behaviour (absence of unethical behaviour) which is the general sense of morality/ethics, honesty, trustworthiness, justice/respect, openness and empathy/compassion (Palanski & Yammarino, 2007).

Table 3.1   Summary of Integrity Usage in Scholarly Literature

Wholeness (Character)	Authenticity (Being True to Oneself)	Word/Action Consistency (Promise Keeping)	Consist in Adversity (Challenge Courage)
Badaracco and Ellsworth (1992) Koehn (2005) Lowe et al. (2004) Trevino et al. (2000) Worden (2003	Cox et al. (2003) Howell and Avolio (1995) Peterson and Seligman (2004) Koehn (2005) Lowe et al. (2004) Morrison (2001) Posner (2001) Yukl and Van Fleet (1992)	Bews and Rossouw (2002) Kirkpatrick and Locke (1991) Paine (2005) Simon (2002) Tracy and Hinkin (1994) Warden (2003)	Duska (2005) Mc Fall (1989) Paine (2005) Posner (2001) Worden (2003)

Morality/ Ethics Absence of Unethical Behaviour	Honesty	Justice/Respect
Craig and Gustafson (1998) Mumford et al. (2003) Posner (2001)	Den Hartog and Koopman (2002) Peterson and Seligman (2004) Newman (2003) Posner (2001) Trevino et al. (2000) Yukl and Van Fleet (1992)	Baccili (2001) Bews and Rossouw (2002) Den Hartog and Koopman (2002) Rawls (1971)
		Empathy/Compassion
		Koehn (2005) Lowe et al. (2004)

Openness/ Authenticity	Trustworthiness	General Sense of Morality/Ethics
Baccili (2001) Peterson and Seligman (2004) Koehn (2005) Paine (2005) Rawls (1971)	Baccili (2001) Den Hartog and Koopman (2002) Paine (2005) Trevino et al. (2000)	Baccili (2001) Badaracco and Ellsworth (1992) Batson et al. (1999) Becker (1998) Lowe et al. (2004) Mayer et al. (1995) Newman (2003) Parry and Proctor-Thomson (2002)

In summary, ethics can be defined as rules and regulations that have been formed which allow an individual to work in accordance to moral principles. Integrity can be defined as the quality of being honest and fair. Ethics are more external whereas integrity is internal. Ethics is not a choice whereas integrity is a personal choice. Ethics can be imposed on individuals, but integrity cannot be imposed. Some of the differences are listed in Table 3.2.

Table 3.2   Difference between Ethics and Integrity

Ethics	Integrity
Rules and regulation which allowed an individual to work in accordance to moral principle.	Quality of being honest and fair
More external in an individual.	Internal of an individual.
Not choice to a individual.	Personal choice of an individual.
Can be imposed by an individual.	Cannot be imposed by an individual.

Source: Palanski and Yammarino (2007)

Integrity has been the main theme in social science literature especially in the area of organisational and ethics behaviour (Nelly Trevinyo-Rodreguez, 2007). However, most of the literatures focus mainly on the integrity of individual. Kaptein & Van Reenen (2001) have stated that discussions about the concept of integrity usually refer to the characteristic that only human can have. Some organisation involve people and their relationship with each other as an important aspect in ensuring that the organisation thrives among its competitors and it is appropriate to conceptualise integrity as an organisational level concept. Jones, I.W. and Pollitt (1996) pointed out that there are three dimensions of integrity in the business life, personal, corporate and macroeconomic (Said & Omar, 2014).

As stated by Breakey, Cadman, & Samford (2015), Sampford was one of the first theorists to both distinguish and link individual and institutional integrity. While several different formulations were used as done by Preston & Sampford (2002b), a recent summary highlights that ethics involves asking yourself hard questions about your values, giving honest and public answers and trying to live by those answers. If you do, you have integrity in the sense that you are true to your values and true to yourself. Institutional ethics applies the same approach to institutions. It involves an institution asking hard questions about its value and values, giving honest and public answers and living by them. Doing so for an institution is more complex than for an individual but it is both possible and necessary.

The first vital questions that must be asked of any institution or organisation are what is it for? Why should it exist? What justifies the organization to the community in which it operates, given that the community generally provides privileges?.By asking those questions that involves an institutional and collective effort under an organisation's own formal and informal constitutional processes which includes getting

acceptance from relevant outsiders, including shareholders and/or relevant regulators. An organisation has integrity if it lives by its answers. However, it does so in a different way to an individual. It cannot merely be a personal commitment but must be an institutional commitment that involves creating mechanisms which make it more likely that the organisation keeps to the values it has publicly declared and to which it is publicly committed. These mechanisms are collectively called an 'integrity system' (Breakey et al., 2015).

Said et al. (2015) stated in their paper that integrity is an essential characteristic of human beings. At present, it is also considered as one of the essential features for the smooth functioning of an organization or institution in the modern world. Roman philosophers developed integrity as a moral notion that has a general meaning of moral uprightness and/or wholeness (Bauman, 2013). The theory of integrity was discussed not only in an area of ethics, but also in many fields such as organizational behaviour, human resource management (HRM), psychology as well as leadership (Bauman, 2013; Nelly Trevinyo-Rodreguez, 2007). In an organizational viewpoint, integrity or ethical behaviour not only refers to being corrupted or fraudulent, but it also lies in the quality or characteristic of individual or organizational behaviour that represents the manner of acting in accordance to moral values, standards and rules accepted by the members of an organization and the society (Bauman, 2013; Kolthoff et al., 2007).

Integrity is also considered as a matter of coherence and consistency among organizational aims, personal values and beliefs and individual behaviour (Badaracco & Ellsworth, 1991). Therefore, integrity or ethical behaviour is assumed to have a direct influence on organizational action and decisions or moral choices (Nelly Trevinyo-Rodreguez, 2007). Moreover, management has an important role in shaping the integrity of an organization (Kaptein, 2003; Said et al., 2015). Figure 3.2 shows how (Nelly Trevinyo-Rodreguez, 2007) relate the psychic system, social structures and social system to the three main forms of integrity which are personal integrity, moral integrity and organizational integrity (OI).
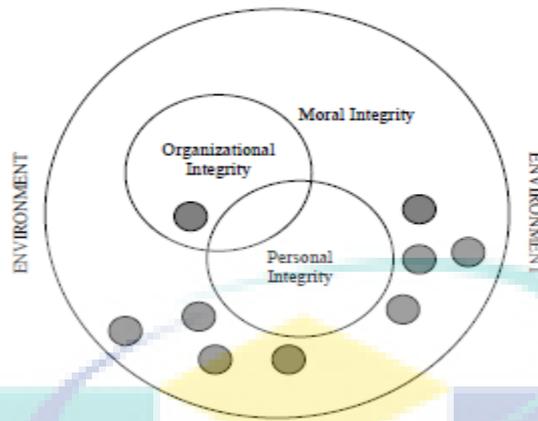
Figure 3.2 Integrity Framework

Source: Rosa Nelly Trevinyo-Rodriguez (2005)

Further explained in the paper, Nelly Trevinyo and Rodríguez (2007) mentioned that OI literature dates from ground-breaking management academicians such as Barnard (1968), Harvard Business Review Staff (1994) and Selznik (1957; 1992) whose work focused on the influence that healthy interactions and relationships among human beings had on organizational success and on the central role of integrity in securing cooperation. In addition, during the 1980s Andrews (1987) drew attention to the critical role that coherence and consistency played in the development and implementation of corporate strategy which is the growth scheme, while Srivastva and Cooperrider (1988) and Cording (2004) brought to light that organizations acting with integrity invite trust from organizational participants.

When referring to "integrity" most researchers focus on individual integrity; nonetheless, the definition and the matter of individual integrity is similar to that of an organization's integrity (Maccoby, 1988; Adler and Bird, 1988), only the domain, level of integration and process differ (Adler and Bird, 1988). As Paine (1994) underlines, ethics is seen no more as individualistic, unchanging and impervious to organizational influences. Thus, OI as such is a matter that deserves to be studied, since it is a part that interacts in the social system human beings are embedded in (Nelly Trevinyo-Rodríguez, 2007). According to Preston (1996) as cited in (Segon & Booth, 2013), the creation and adoption of an ethical system within an organization, which can also be termed the institutionalization of ethics, should be seen as a multi-faceted approach that 'main-streams' concerns about the ethical issues facing organizations.

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3.4   Level of Ethics and Integrity in an Organization

Ethics and integrity can be taught to prevent unethical behaviour in the organization. Petrick & Schere (2003) recommended by providing education to increase awareness of the importance of ethics and integrity by including economic, social and environmental system and also to include participate of institutionalized stakeholder in corporate governance as demonstrated in Eron, WorldCom and among others. Thus, the study of organizational structure, systems, processes and culture is termed Organization Theory (OT), and it has a long research history (Child, 1986; Daft, 2010; Mintzberg, 2009; Robbins, 1990; Robbins & Barnwell, 2006; Robey & Sales, 1994; Schein, 2004). Organizations are defined as consciously coordinated entities that exist within identifiable boundaries with specific goals and objectives (Arrow, 1974; Daft, 2010; Galbraith & Lawler, 1993; Robbins & Barnwell, 2006). In addition, organization structure determines where formal power and authority are located (Galbraith, 2002).

In the last decade, corporate ethics has been emphasized as a source of competitive advantage, ensuring the attraction and retention of a valuable workforce, reputational capital for organizations and subsequent achievement of organizational goals. This emphasis has led to the acknowledgement of an organization's ethical capability, shifting the focus of ethical decision making from individual contributors to the organizational system. Ethical capability incorporates the leadership characteristics and organizational systems that enhance business practices and outcomes through ethical behavior. The term "ethical capability" was advanced by (Buller & McEvoy, 1999) and describes the organization's ability to identify and to provide adequate responses to ethical issues in the global business environment thus, creating competitive advantage. This organizational competency entails a solid wealth of knowledge regarding business ethics issues in a global environment, an organizational structure and culture that foster cross-level communication and an integrated human resources system (i.e. selection system, training and development, compensation, and performance appraisal system) that helps sustain and develop ethical capability (Pimentel et al., 2010).

These elements are more or less similar to the research by Kaptein & Avelino (2005) who measured integrity in the organization through a survey-based approach by assessing five elements which are (i) the existence of codes; (ii) the quality of

compliance programs; (iii) the ways these codes and programs are embedded in and supported by the corporate structure and culture; (iv) the frequency of unethical conduct; and (v) the potential impact of unethical conduct on the corporation and its stakeholders.

Unethical behaviour in an organizations is commonly defined as behaviour that violates generally accepted moral norms of behavior (Jones, 1991; Trevino, Linda K, Weaver, Gary R, & Reynolds, 2006). Ethical behaviour implies adherence to these moral norms whereas unethical behaviour implies the violation of these moral norms. Examples of commonly considered types of unethical behaviour are corruption, fraud, stealing and sexual harassment (Crane and Matten, 2007) as cited in Kaptein (2009a). In his paper, Kaptein (2009b)used 37 items related to unethical behaviour occurring during past twelve months by combining the scores for rarely, sometime, often and always.

In his paper, Kaptein (2009) summarized that the ethics of organization can be structured by three general business ethics theories that are virtue ethics, deontological ethics and consequential ethics (Kaptein & Wempe, 2002). Virtue ethics focuses on the intentions, characteristics, qualities, attitudes and disposition of agents and also focuses on who the agents are. An agent can be an individual, group and collective entity, such as an organization. Deontological or duty-based ethics focuses on the actions and behavior of agents such as what does agents do. Consequential or teleological ethics focuses on the effects and results of the actions of agents or the impact of what agents do. He measured the ethics of organizations by focusing on the intentions of the organization, its conduct and effects by applying the Corporate Ethical Virtue Model (Kaptein, 2009a).

Eight temperances were recognized which were (1) clearness, characterized as the degree to which moral desires for example, qualities, standards and guidelines, where these are solid, thorough and justifiable to administrators and workers; (2) congruency of the executives, characterized as the degree to which the load up and center administration carry on as per moral desires; (3) congruency of bosses, characterized as the degree to which nearby administration act as per moral desires; (4) possibility, characterized as the degree to which the association sets aside a few minutes, spending plans, gear, data and specialist accessible to empower the executives and representatives to satisfy their obligations; (5) supportability, characterized as the

degree to which the association animates ID with contribution in and pledge to moral desires among the board and representatives; (6) straightforwardness, characterized as the degree to which moral and deceptive conduct and its results are unmistakable to those supervisors and representatives who can follow up on it; (7) examine capacity, characterized as the degree to which moral issues, for example moral quandaries and affirmed unscrupulous conduct, can be talked about inside by chiefs and representatives; and (8) authorize capacity, characterized as the degree to which directors and representatives trust that untrustworthy conduct will be rebuffed and moral conduct will be compensated, just as the degree to which the association gains from exploitative conduct. Measurement of the perceptions of managers and employees regarding the existence of these virtues in their organization unravels the ethical culture of an organization. According to this approach, the stronger the presence of these virtues the more ethical the organization (Kaptein, 2009).

Kaur and Sharma (2015) discussed in their paper about the corporate ethical values (CEV). CEV have been defined as a subset of organizational culture, representing a multidimensional interplay among various formal and informal systems of behavioral control (Trevino et al., 1998). Collective ethical values of individual employees, formal and informal policies on ethics comprise the corporate ethical values for an organization (Sharma, Borna & Stearns, 2009; Trevino et al., 2006; Hunt et al., 1989). An organization's ethical values are routed in the organizations value system and consequently, the firms have designed "ethical infrastructures" for fostering and preserving ethical behaviour in their organizations (Treviño et al., 2006; Tenbrunsel et al., 2003). The "ethical infrastructures" as they have been referred to by Tenbrunsel and colleagues (2003) include both formal and informal systems and most importantly an organizational climate to ensure ethical effectiveness of firms. An organization's code of ethics is a written expression of its norms and values (Farrell and Farrell 1998; Valentine & Barnertt, 2003) as cited in Kaur & Sharma (2015).

Nictores and Cushman (1992) stated that ''any action can be judged as ethical if it upholds the value system of that organization'' (c.f. Grojean et al., 2004). As a result, corporate ethical values help in determining what is considered as "right" and "wrong" on basis of ethical decision making. Corporate ethical values have been measured by adapting the most reliable scale of Hunt et al., (1989). This scale consists of 5

statements that are used to determine the perception of employees on: (a) the extent to which employees perceive that managers act ethically in their organization, (b) the extent to which employees perceive that managers are concerned about the issues of ethics in their organization, and (c) the extent to which employees perceive that ethical behavior is rewarded /or punished in their organization as cited in Kaur & Sharma (2015). Similar measurement was used in the research by (Valentine, Godkin, Fleischman, & Kidwell, 2011; Valentine, Hollingworth, & Eidsness, 2014).

In the earlier research by Valentine, Godkin, Fleischman, & Kidwell (2011), a five-item ''corporate ethical values'' scale developed by Hunt et al. (1989) was used to assess individuals' beliefs about the healthcare organization's generalized ethical practices. Sample items are ''Top management in my company has let it be known in no uncertain terms that unethical behaviours will not be tolerated'' and ''If a manager in my company is discovered to have engaged in unethical behaviour that results primarily in personal gain rather than corporate gain, he or she will be promptly reprimanded.'' Scale items were rated using a seven-point response format anchored by 1 (strongly disagree) and 7 (strongly agree) and after reverse scoring the two items and averaging item scores, higher composite values indicated that individuals believed the organization was ethical (Valentine et al., 2011).

In another paper, Valentine et al. (2014) assessed perceived ethical conflict using separate, yet related, ethical context scales, that are CEV and ethical environment or culture. Individuals' perceptions of ethical context were evaluated with a five-item CEV measure (Hunt et al., 1989), and the sample items included "Managers in my company often engage in behaviours that I consider to be unethical," and "In order to succeed in my company, it is often necessary to compromise one's ethics." While an ethical environment (culture) measure was used in Trevino et al. (1998) study, where by the sample items included "management in this organization disciplines unethical behaviour when it occurs," "ethical behaviour is the norm in this organization," and "ethical behaviour is rewarded in this organization" (Valentine et al., 2014).

Huhtala, Kangas, Lämsä, and Feldt (2013) cited in their research that ethical culture encompasses the experiences, presumptions, and expectations of how the organisation is preventing unethical behaviour and promoting ethicality (Trevino˜ and Weaver, 2003). It is therefore a subset of organisational culture, with formal (e.g. codes

of ethics, reward systems) and informal (e.g. peer behaviour, ethical norms) systems that can promote either ethical or unethical behaviour (Trevin˜o, 1990). The research on the concept has progressed from defining ethical culture as a distinct phenomenon from ethical climate to operationalising it as a one-dimensional construct (Trevino et al., 1998). More recently, specifying its different sub dimensions by Kaptein (2008). As yet, no other empirical study has offered a multidimensional model and a scale for measuring the ethical culture of organisations. Therefore, the model developed by Kaptein (2008) is applied.

Kaptein (2008) approaches the ethical organisational culture through ethical virtues. Virtue ethics is based on the ideas of Platon and Aristotle, and both Solomon (1999; 2000; 2004) and Kaptein (1998; 1999) have applied the virtue theory in an organisational context. According to the theory, both individuals and organisations should have certain features and virtues, which enable morally right behaviour. For an organisation to become ethical, these features need to be nurtured in organisational practices. Virtue ethics provides a normative theory for organisational culture by defining what kind of behaviour is morally right and worth pursuing. In this study, he draw specifically upon the corporate ethical virtues (CEV) model, which is a model for measuring the ethical culture of organisations (Kaptein, 1998; 1999; 2008; Huhtala et al., 2011) as cited in (Huhtala et al., 2013).

This CEV model by Kaptein (2008) distinguishes eight normative virtues that can promote the ethical culture of an organisation. First, clarity refers to the concrete and understandable expectations regarding the conduct of employees. Second, congruency of supervisors and third, congruency of senior management mean the extent to which supervisors and senior management show a good example in terms of ethics and behavior in accordance with ethical expectations. The virtue of congruency is especially important, as employees often emulate manager's behaviour and search for clues to what are appropriate actions in the organisation (Brown et al., 2005; Schminke et al., 2005) and the example set by supervisors is held meaningful (Schein, 1985; Ciulla, 1998; Trevino ˜ et al., 2000). Fourth, feasibility refers to the conditions created by the organisation to enable employees to comply with normative expectations, such as adequate amount of time, money, knowledge and possibilities to carry out their duties (Huhtala et al., 2013).

Fifth, supportability is the extent to which the organisation supports ethical conduct among the management and employees. Sixth, transparency means the degree to which managerial and employee conduct and its consequences are perceptible. In highly transparent organisations managers and employees give feedback to each other and own behaviours as well as the behaviours of colleagues, supervisors and subordinates are corrected towards a more ethical direction. Seventh, discuss-ability refers to the opportunities to discuss ethical issues, such as ethical dilemmas or alleged unethical behaviour, in the workplace. A good conversational culture helps employees to learn from their mistakes, whereas a closed culture with a low level of discuss-ability can lead to moral stress and reinforce unethical culture (Bird and Waters, 1989; Kaptein, 2008). Eighth, sanction-ability is the final virtue, meaning the extent of the enforcement of ethical behaviour through punishment for behaving unethically and rewards for behaving ethically. Kaptein (1998) discovered that approving or encouraging unethical actions led employees to think that the management accepts or even values unethical behaviour. In sum, according to the CEV approach, the stronger the presence of these eight virtues, the more ethical the organisational culture is (Kaptein, 2010) as cited in (Huhtala et al., 2013).

Corporate integrity can also be measured by means of existence of code of conduct, the quality of compliance programs and the frequency of unethical conduct (Scot, 2005). According to Barnard, Schurink and De Beer (2008), the two most prominent aspects of integrity are the moral compass and the inner drive. Their analysis indicates that integrity consists of a set of values and principles that act as the norms and standards which govern one's decisions and actions. Barnard et al. (2008) define the moral compass as having and living according to a core set of values and principles. Integrity is ultimately determined by the contextual nature of the moral compass and behaviour where integrity is driven by one's willingness to act according to the internalized values, beliefs, norms and principles that constitute one's moral compass. Barnard et al. (2008) found that integrity points to core values and universally accepted principles.

Malaysia have implemented adequate level of Corporate Integrity System or ethical guideline that reflect a situation where organization is less likely to fall as a victim to corruption, damage of reputation and loss of business or opportunities. As

cited in Ismail (2013), The Malaysia's National Integrity Plan (NIP) has also identified corporate governance as one of the main elements concerning integrity to the private sector. A study done by Razak (2005) remarked that a decent corporate administration practice in an association can advance uprightness and support financial success. In this examination, Ismail (2013) created proportions of this development and suggested that corporate administration pointers can dependably quantify and survey respectability. These corporate governance indicators include directors, director's remuneration, shareholders, accountability and audit, business ethics and responsibility, intellectual capital and disclosure. The research makes a commitment to information by giving observational proof in regard to the utilization of corporate administration markers in evaluating corporate honesty.

Institute of Integrity of Malaysia (IIM) measures level of corporate integrity by using Corporate Integrity Assessment Questionnaire (CISM). CISM is a tool introduced and made available by the Malaysian Institute of Integrity (IIM) in late 2010 to facilitate organizations to assess and measure their progress in making a formal and transparent commitment to ethics and integrity in the workplace. CISM comprises of twelve (12) global Corporate Integrity System (CIS) dimensions. The 12 dimensions of ethics and integrity of Dubinsky and Richter (2008-2009) are as follow: 1) Vision and Goals, 2) Leadership, 3) Infrastructure, 4) Legal Compliance, Policies and Rules 5) Organizational Culture 6) Disciplinary and Reward Measure 7) Whistleblowing 8) Measurement, Research and Assessment 9) Confidential Advice and Support 10) Ethics Training and Education 11) Ethics Communications and 12) Accountability. Previous studies have used these 12 dimensions (Rosli, Aziz, Mohd, & Said, 2015) and (Said & Omar, 2014) which is a quite similar measurement to CISM. Table 3.3 describes the twelve dimension of corporate integrity system.

Quantitative study to assess the level of corporate integrity system by two giant GLCs using The Corporate Integrity Assessment Questionnaire (CISM) had been conducted by Said and Omar (2014). CISM is a tool introduced and made available by the Malaysian Institute of Integrity (IIM) in late 2010 to facilitate organizations to assess and measure their progress in making a formal and transparent commitment to ethics and integrity in the workplace. CIAQ comprises of twelve global Corporate Integrity System (CIS) categories. The best practices in each category are shown as

100%. For each category, the benchmarks are divided into five levels that indicate progress towards the best practices in that category. The 0% level typically identifies an organization that has not yet begun to focus on this specific ethics consideration. The 25% through 100% levels then progressively show where an organization might be situated as it improves in that category, and finally reaching the 100% or best-practice level.
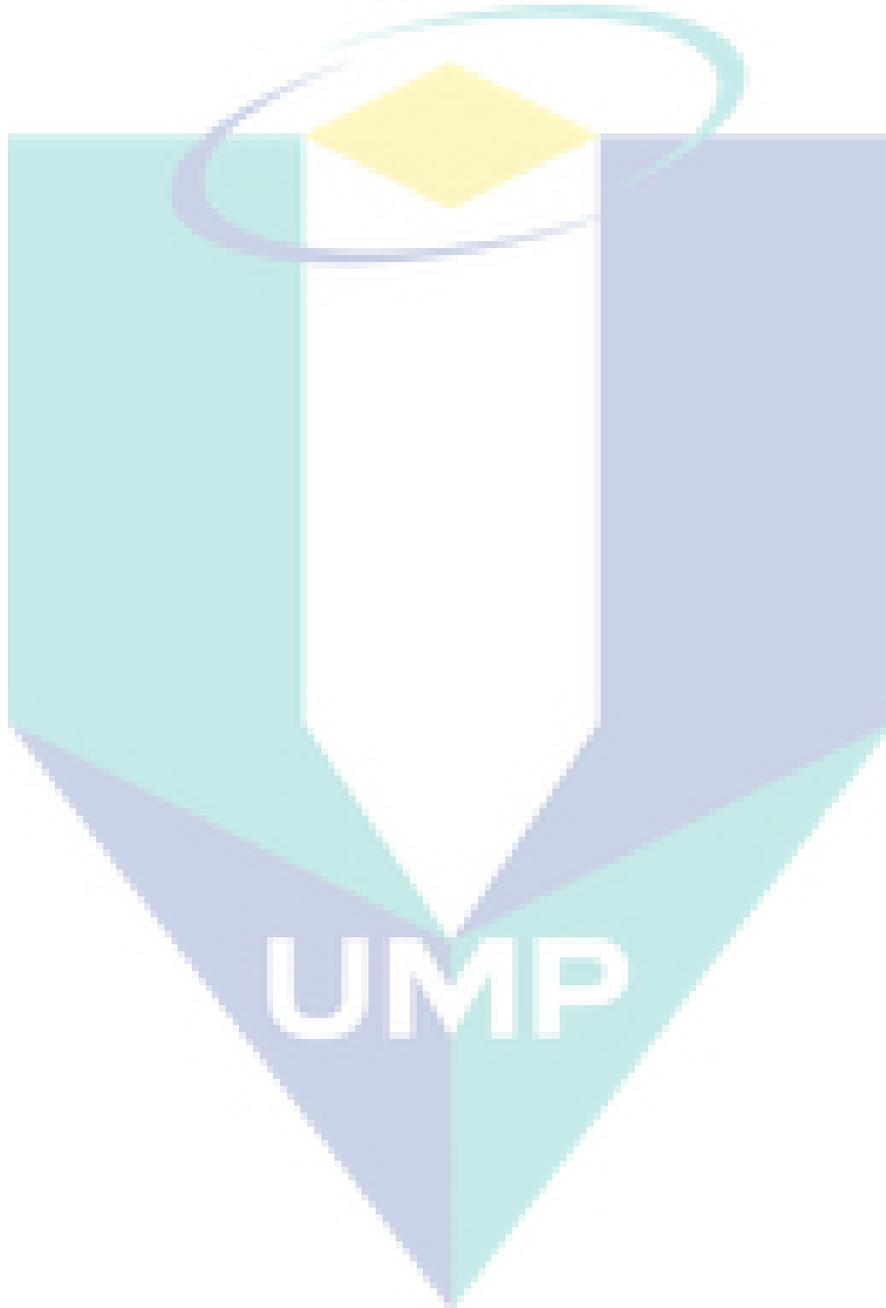
Table 3.3   Dimensions of Corporate Integrity System

Dimension	Description
Vision and Goals	This dimension covers the organization's overall concept of and approach to ethics and integrity, including its formal articulation of the organization's underlying philosophy about ethical and moral conduct, and how these expectations are embedded in the organization
Leadership	Covers the responsibilities of the organization's leadership in shaping, guiding, and supporting the organization's ethics and integrity initiatives.
Infrastructure	Explores the way the organization structures or organizes its ethics and integrity function so that it can carry out its goals effectively.
Legal Compliance, Policies and Rules	This category assesses the internal framework that provides the floor for ethical behavior. It also includes compliance with the external legal framework, established by the multiple jurisdictions and legal frameworks within which the organization operates.
Organizational Culture	This dimension covers the organization's overall concept of and approach to ethics and integrity, including its formal articulation of the organization's underlying philosophy about ethical and moral conduct, and how these expectations are embedded in the organization.
Disciplinary	Assess how the organization sets and enforces its standards for ethical conduct and behaving with integrity. This category addresses rewards and punishments, incentives that promote ethical behavior, and disciplinary action taken to limit or punish unethical work conduct.
Measurement, Research and Assessment	Evaluates how ethics and integrity are measured, whether the organization undertakes research to support ethics strategies that create a culture of ethics and integrity.
Confidential Advice and Support	Describes how the organization provides confidential, neutral, professional and independent ethics advice to employees, supervisors, managers, executives, members of governing bodies and other stakeholders.
Ethics Training and Education	Explores ethics and integrity awareness, skill-building training and education and the integration of such training into the overall development of all employees. This category includes the provision of ethics-related training and skill building throughout the life cycle of staff members and the degree to which these initiatives are integrated into other organization-wide training commitments.
Ethics Commination	Describes how the ethics and integrity initiative is articulated and promoted, both internally and externally. This category covers how the organization defines its stakeholders and how it gears its key messages to distinct audiences
Whistleblowing	Explores how the organization encourages individuals (both internal and external to the entity) to speak up and make reports of questionable conduct
Accountability	Mechanisms intended to ensure that governing institutions and personnel faithfully perform the duties they owe to citizens, businesses and other stakeholders. Accountability operates by specifying the relationships between public officials' behaviour and performance on one hand, and rewards and give punishments on the other. It can be thought of in three layers: between voters and politicians, between politicians and bureaucrats, and between superior and subordinate public officials. (Lanyi & Azfar, 2005)

This study is intended to use CISM as a measurement of level ethics and integrity because it is in the specific context of Malaysian public sector organizations and thus is practical to be used.

3.5 Factors Influencing Level of Ethics and Integrity

Employees evaluate organizational ethicality based on their observations, experiences, and perceptions of their firms and firm members behaviour in which particularly those in positions of authority (Ferrell et al., 2008; Herrbach & Mignonac, 2007, Trevino & Nelson, 2007; Valentine et al., 2002; Valentine & Fleischman, 2004). It should be apparent, that organizations must present a consistent "ethical face" to their employees. However in doing this, the organization, its members, its representatives and especially its managers must do more than just "talk the talk" of ethics. The appearance of an ethical organization must be more than "skin deep" and it must permeate the entire organization or employees that may perceive an inconsistency in organizational words and actions, resulting in employees viewing the organization as being less ethical than it could or should be (Ferrell et al., 2008; Herrbach & Mignonac, 2007; Hunt & Vitell, 1986; Sims and Keon, 1997). The creation of an ethical organization is never accidental and the ethical contexts do not just happen. They must be carefully developed and supported (Ferrell et al., 2008; Trevino and Nelson, 2007) as cited in (Valentine et al., 2014).

In a model that goes beyond philosophically based ethics, Stajkovic and Luthans (1997) use social-cognitive theory as a means to identify factors that influence business ethics standards and conduct. They propose that a person's perception of ethical standards and subsequent conduct is influenced by institutional factors such as ethics legislation, personal factors such as moral development and organizational factors such as code of ethics. Even from a cross-cultural perspective, these key antecedents influence the ethical standards of people and organizations (Stajkovic & Luthans, 1997). An "organizational code of ethics" (OCE) is an important organizational factor. Ethics research undertaken within the public sector, whilst growing, has not been consistent nor systematic in its focus (Lawton, 2008). Much of this research has focused on culture (Pratchett and Wingfield, 1996; Hebson et al., 2003), motivation and behavior (Perry, 1997; Smith, 2003) or perceptions (Vigoda-Gadot, 2006). This organizational code of ethics (OCE) is viewed as an important instrument in developing ethical standards in

organizations in areas such as surveillance and training, internal and external communications and also guidance (Svensson et al., 2009) as cited in (Svensson, Wood, & Callaghan, 2010).

Surveillance and training are crucial elements in establishing, maintaining, and enhancing an OCE and as such they may be considered components of a primary latent construct. Two aspects of interest within a construct of surveillance/training of OCE are the establishment of an ethics training committee and employee training in ethics. These two areas in ethics are linked from a theoretical perspective because one cannot just expect individuals to be ethical to the level of organizations and expectations without having some training (Wood et al., 2004).

Numerous authors have advocated the use of training programs as a means of institutionalizing ethics within the organization (Axline, 1990; Dean, 1992; Harrington, 1991; Laczniak and Murphy, 1991; Maclagan, 1992; McDonald and Zepp, 1990; Rampersad, 2003; Schwartz, 2002; Sims, 1992; Trevino and Brown, 2004; Wood, 2002). The intention of an ethics training committee would be to provide the focus and initiative to expose employees to ethical dilemmas in business situations that they might face while employed by a certain organization. In application, training is similar to the surveillance function. Without training and education, one may argue that the desire to incorporate an ethical perspective into the business practices of employees will only be a hope that cannot be translated into reality (Svensson et al., 2010).

If OCE is important to the organization, then an ethics committee may have been contemplated within that organization in order to take appropriate action to insure ethical behavior (Center for Business Ethics, 1986; McDonald and Zepp, 1989; Rampersad, 2003; Weber, 1981). Similarly, organizations may need individuals who are designated to be in charge of their OCE such as an ethics ombudsman. This so that individuals within the organization who have genuine concerns about ethics can feel free to voice these concerns to an independent arbiter (Anand et al., 2005; Wood et al., 2004). If an organization has a person designated as a confidante to whom employees can go to with their ethical concerns, then hopefully employees will be encouraged to volunteer information about unethical practices that they perceive are detrimental to the organization. It would seem that having such a position in place within the organization can only but enhance the ethical health of that organization thus, further supporting

surveillance/training as a crucial construct of OCE. The construct of surveillance/training in the context of OCE is defined as consisting of four elements derived from previous studies and theory, namely: (1) ethics training committee; (2) employee training in ethics; (3) ethics committee; and (4) ethics ombudsman (Svensson et al., 2010).

Another researcher, Schwartz (2013) argues that three key elements must necessarily exist if crime, corruption and other illegal or unethical activity with- in and on behalf of businesses are to be minimized through building an ethical corporate culture: (i) A set of core ethical values infused throughout the organization in its policies, processes, and practices; (ii) A formal ethics program, including a code of ethics, ethics training, an ethics hotline and an ethics officer; and also (iii) the continuous presence of ethical leadership such as an appropriate tone at the top as reflected by the board of directors, senior executives and managers. Often referred to as an ethics or compliance officer, an administrator who has direct access to the board of directors and who cannot be fired by the CEO should be appointed to the oversee ethics program (Schwartz, 2013).

The researcher Buchholz (1989) as cited in (Segon & Booth, 2013) managed to identify seven mechanisms to institutionalize ethics including a code of ethics, ethics committees, judiciary boards, ethical ombudsmen, ethics training, social audits and changes to corporate structure. A final aspect of ethical frameworks is that they should be regularly reviewed and audited for their effectiveness (Trevino & Nelson, 2009). A model of critical components of a system to support ethical culture is evident. The components of that model are; i) leadership, ii) policies, iii) technique and system, iv) motivation and v) audit review.

Boatright (2008) suggests that the components of a corporate ethics programme or an ethics system generally include a code of ethics, ethics training for employees, a communication strategy and a reporting mechanism for detecting wrongdoings. Ethical behaviour needs to be developed into an organizational norm or standard. White and Lam (2000) argue that institutionalization of ethics within an organization needs to be built around a proactive strategy that includes formulation of policy to clarify what is acceptable behaviour. In particular they advocate that management must provide

leadership and support for the ethical system and that inclusive processes strengthen the likelihood of effective institutionalization of ethical processes and standards as cited in (Segon & Booth, 2013).

An ethics programme is a set of activities, policies and procedures intended to support employees to understand and comply with the ethical standards and policies set by the organization. Programmes comprise of various elements designed to prevent misconduct which is defined as "behaviour that violates the law or organizational ethics standards" (Ethics Resource Center, 2008). Companies with strong ethics programmes report improvements in ethical conduct and programmes have a positive effect on employee's behaviour, ethical attitudes and corporate culture (Ferrell et al., 1998) as cited in (Park & Blenkinsopp, 2013).

Developing the integrity is to introduce a code of conduct, for example a document that articulates the company's business values, principles and standards (Waddock et al., 2002). US companies in particular make use of codes of conduct. Adopting a code of conduct is generally the starting point, followed by an ethics or compliance program that includes board and management oversight, employee communication and training, auditing and monitoring plans, hotlines, disciplinary and enforcement mechanisms and also response protocols (Paine, 1994; Trevin̄o et al., 1999) as cited in (Kaptein & Avelino, 2005).

Some elements of corporate integrity that can be measured, from: (i) the existence of codes; (ii) the quality of compliance programs; (iii) the ways these codes and programs are embedded in and supported by the corporate structure and culture; (iv) the frequency of unethical conduct; to (v) the potential impact of unethical conduct on the corporation and its stakeholders. Management needs be aware of the types of misconduct that occur within their organization. In the survey of the US working population, the study asked respondents to indicate how often they observe ethical infringements in their work environment (Kaptein & Avelino, 2005).

In another research done by Kaptein (2009), he stated that ethics program consists of the measures, policies and instruments an organization adopts to promote ethical behaviour and to deter unethical behaviour. The ethical culture forms part of the soft controls of an organization and the ethics program forms part of the hard controls of

an organization. Frequently cited and widely advocated components of an ethics program are: (1) a code of ethics, (2) an ethics officer or ethics office, also called compliance officer, ombudsperson or ethics committee, (3) ethics training and other types of information and communications, (4) a dedicated telephone system, usually called ethics hotline or ethics helpline, (5) policies to hold management and employees accountable for unethical behavior, (6) policies on investigating allegations of unethical behavior, (7) policies that create incentives and rewards for ethical behavior, (8) internal monitoring systems and ethics audits, and also (9) pre-employment screenings of the ethics of applicants (Treviño & Weaver, 2003; Kaptein, 2009). The ethical quality of an organization is directly related to the comprehensiveness and effective implementation of its ethics program (Kaptein, 2009).

Rather than ethics programmes, ethical culture has the strongest influence on behaviour. Scholars have begun to pay increasing attention to ethical culture (Whetstone, 2005; Jurkiewicz, 2007) which are those aspects of the organization that serves to promote ethical behaviour and inhibit misconduct (Trevin˜o & Weaver, 2003; Kaptein, 2009). The ERC (2007) measures ethical culture in terms of four elements are ethical leadership, supervisor reinforcement, peer commitment to ethics and embedded ethical values. The ERC (2007) found that though ethics programmes reduce misconduct slightly, the biggest impact comes from having a strong ethical culture. Similarly, when codes of conduct are supported by ethical cultures, employee's compliance to the ethics codes can be increased (Fiorelli, 2004). This does not mean ethics programmes are unimportant, as they may serve to nurture and strengthen ethical culture (Kaptein, 2009). Desplaces et al. (2007) report that codes of conduct had a positive impact on ethical culture, while Fiorelli (2004) found effective implementation of an ethics programme helps build an ethical culture and the ERC (2007) found that where cultures are strong, it is in part because a formal program is in place. (Park & Blenkinsopp, 2013).

While research conducted by Obalola, Aduloju, and Olowokudejo (2012) also supported that organization's ethical orientation which can affect employee's attitude. In a proposed reformulation of corporate culture, Robin and Reidenbach (1987) argued that the key to success of any corporate culture is the selection and implementation of an organisational profile identified by core values, which eventually becomes an

integral part of the organisational mission. On the ethical dimension of corporate values, Hunt et al. (1989) theorised that corporate culture equals the aggregation of ethical values of individual managers, as well as the formal and informal policies of the organization on ethics as cited in (Obalola et al., 2012).

A survey of fraud awareness, prevention and detection in the public sector conducted by PWC (2012) on behalf of the Auditor-General of New Zealand concluded internal control systems was the most effective instrument for detecting fraud. Haron, Mohamed, Jomitin and Omar (2014) found that a forensic accountant is essential for an organization with the intention of decreasing the number of fraud occurrences in a public sector. Eiya and Otalor (2013) suggested that forensic accounting is a tool for fighting financial crime where the forensic auditor as an expert witness should at all times apply their skill and experience to support their expert opinion regarding an evidence or issue. According to Bierstaker et al. (2006), although the organization's use of forensic accountant is minimal for any fraud detection and prevention, it has the highest rating of mean effectiveness. Internal auditors, sound internal control and effective audit committees enables fraud detection and prevention. (Othman, Aris, Mardziyah, Zainan, & Amin, 2015).

Alleyne and Howard (2004) determined that organizations with good internal control, auditors and strong audit committee are effective in coping with fraud in any practice. Halimah et al. (2009) examined the effectiveness of internal audit of Malaysian public sector and determined what the audit staff is lacking. In their study, insufficient audit staff is ranked as one of the main problems faced by internal auditors in conducting an effective internal auditing, which leads to low integrity level of an organization. Martinov-Bennie (2007) defined fraud in an institution as an intentional practice by individuals that involve dishonest actions to gain an unjust or illegal benefit. The effect of slightly effective internal control environments usually allows the management to commit fraud (Said et al., 2015).

An ethics review can also be used to assess the effectiveness of the implemented policy and to benchmark the policy. There are a number of methods to assess the ethics of companies, along with the more objective data such as the cases of theft, number of complaints, and cases of bribery (Kaptein & Wempe, 2002). A people survey can generate additional information that can be used in determining the ethical quality of the

company. There are also other emerging applications of integrity surveys as well. Measuring integrity by means of a survey is not without pitfalls. If respondents fear their anonymity might be compromised, they will give socially desirable answers or might not fill out the questionnaire at all (Randall & Fernandes, 1991). To minimize these risks, an ethics survey has to be presented and employed as a tool for looking forward instead of looking backward, taking pro-active and preventative measures instead of simply identifying offenders and taking reactive or repressive measures. Respondents should perceive the survey as non-threatening, as a common responsibility to enhance the integrity of the organization and not as a means to tattle on colleagues or management (Kaptein & Avelino, 2005).

As cited in Tilley, Fredricks, & Hornett (2012), there is evidence that a powerful influence on ethical behaviour is the existence of an ethically-oriented organisational culture (Brien, 1998; Seligson & Choi, 2006; Soutar et al., 1994; Sinclair, 1993; Smith & Drudy, 2008). Zimbardo (2008) argues that there are no "bad apples", only "bad barrels" and in most cases, systems and contexts create inherent conditions that encourage or discourage unethical behaviour by individuals. Hence, changing the "system" within an organisation to create a more explicitly ethically-focussed culture, while not removing individuals' personal responsibility, can nonetheless enhance the likelihood that more individuals will behave ethically.

Key aspects of ethical organisational culture are written standards for ethical conduct; training on company standards of ethical workplace conduct; a mechanism for seeking ethics-related advice or information; an anonymous mechanism for reporting misconduct; disciplining of employees who violate the standards of the organisation or the law; and assessment of ethical conduct as part of employee performance evaluations (ERC, 2007). An implication for internal communicators is that developing relationship criteria such as perceptions of affinity and mutual commitment in the workplace may change attitudes about ethics specifically and it may enhance the likelihood of ethical behaviour towards others in the same organisation. Enhancing ethics can reduce compliance and other costs directly attributable to unethical behaviours such as fraud (Tilley et al., 2012).

A model of organizational ethics education has evolved from the belief that any attempt to ensure ethical decision-making within organizations requires ethics education

programs to be delivered in a variety of ways. The model begins with an examination of the ethical considerations of the individual and the organization operating within a social framework. It then moves on to address ethical considerations/issues inherent in the organization/industry in which it operates. Moving from the macro to a micro view, the model considers the ethical decision-making of employees, from an informed perspective. The model then addresses how the organization communicates the ethos of the organization to all employees. To achieve this goal, it is suggested in the model that employees should engage with a range of learning experiences. A debriefing for all of these activities should link back to and reflect the ethical ethos that the organization is attempting to instil into the organizational culture of the corporation as cited in Morris & Wood (2011).

As cited by Donker and Zahir (2008), recent corporate scandals are mostly infected by fraud. Jones & Jayawarna (2010) stated that any organization that has developed a culture with integrity is inclined to have high quality revenue. This type of organization also brings individuals with the integrity to build a consensus around shared values. This culture later influences interpersonal association inside the organization and generates a highly valued work environment. Workers are motivated and innovative, feel proud of their work and enjoy the company of their colleagues. Malaysia was selected as a case study because it is a very fast-growing country in the track of transforming from a developing country to a developed one. Malaysia can achieve its target to become a fully developed nation in 2020. To facilitate the development of the country and to achieve Vision 2020, good governance is considered an important element as cited in Said et al., (2015).

In the research done by Said et al. (2015), they collected the data from a targeted survey among 682 departments and agencies under 24 federal ministries including the Prime Minister Department in Malaysia. The rate of response per actual sample was 16% from the targeted group. A total of 109 respondents replied to the e-mail questionnaire which is a Corporate Integrity Assessment Questionnaire developed by MII (2012). Descriptive statistics, ordinal regression and path modelling were used to analyse the result. This study used a nonparametric bootstrap procedure to test the significance of the coefficients. Partial least squares (PLS) path modelling method has advantages, such as non-normal data, small sample sizes, formative indicators and very

complex models. In addition to other common modelling conditions, present model challenges with covariance-based methods. It is found that the practices of strategic planning, audit and fraud control have been statistically significant relationship with the practices of integrity system in the public sector of Malaysia (Said et al., 2015)

Research conducted by Valentine et al. (2014) quoted that organizations may create an ethical workforce by recruiting and selecting individuals who have dispositions or work histories that suggest they are less likely to engage in workplace wrongdoings because of their ability to recognize ethical dilemmas (Miceli & Near, 2001). By hiring ethical employees, a company can create and deliver on ethical promises, thus establishing an ethical culture that functions well beyond the expectations of employees. In this sense, the selection process can be seen as one of the first steps a company can take to institutionalize an ethical context in the minds of employees by encouraging them to think favourably of their employer (Valentine et al., 2014).

While Mitchell et al. (1996) showed that illegal behavior was positively correlated with performance evaluation systems that were not contingent on ethical behavior. Sims and Brinkmann (2002) also demonstrated that the way of rewards were distributed to employees was related to unethical culture. Sims and Brinkmann (2002) argued that a pay system that was strictly tied to short-term performance makes employees achieve only short-term financial performance, thus neglect long-term healthy performance that can be achieved by ethical behavior as cited in (Kwon Choi, Koo Moon, & Ko, 2013).

As cited in Tran (2010), chief ethics and compliance officers (CECOs) have become trendy in recent years. CECOs started appearing in corporate hallways in 1991, when the Federal Sentencing Guidelines for corporations went into effect. The guidelines stated that companies with effective compliance and ethics programs could receive preferential treatment during prosecutions for white-collar crimes. In the last five years, companies have become even more obsessed with ethics and compliance. After the corporate scandals of 2001 and 2002, and the Sarbanes-Oxley Act that followed caused companies tripping over themselves to identify potential ethics problems (Tran, 2010).

This is also supported by the research conducted by (Irwin & Bradshaw, 2011). They state that one way for multinational organizations to ensure both relevancy and consistency of their ethics programs is to establish a network of ethics ambassadors in order to help promote the company's ethical values, policies and programs. An ethics program requires various components including training, a communications strategy and a speak-up procedure. Embedding ethical principles for business conduct throughout an organization so that they actually influence culture, decision making and behavior can be a challenging and lengthy process. It requires sensitivity, patience and resources. An excellent way to implement the various elements of such a program throughout a global organization is by using ethics ambassadors (Irwin & Bradshaw, 2011).

Beside that, value-based ethical programs ensure that multiple organizational members have responsibility for making ethical decisions based on knowledge and internalization of values (Collier and Esteban, 2007). These programs place emphasis on the positive outcomes of ethical decisions for individuals, organization and society. They rely on the integration of organizational systems such as training and performance appraisal with strong ethical leadership to promote the internalization of ethical values and enactment of desired ethical behaviors. Leaders have a critical role in ensuring participation in decision making and value-structuring while furthering norms that support corporate ethics. Reports of unethical behavior and exemplary leadership in organizations have engaged considerable interest in employee accountability with respect to managerial decisions, namely the role of leaders in fostering an ethical culture as cited in Pimentel et al., (2010).

Ethical leadership can be defined as the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships. The promotion of such conduct to followers is through two-way communication, reinforcement and decision making (Brown et al., 2005). This definition brings forth complex empirical questions concerning the role of individual, organizational and contextual variables in ethical decision making and also decision outcomes. For instance, the extent to which leadership behaviors are "normatively appropriate" will depend upon the organization's culture, the business industry, legal considerations and the socio-cultural setting in which the business operates. Furthermore, it is expected that

individual characteristics such as personality, values and work experience and also organizational characteristics such as communication systems and formal ethics code. These characteristics will influence the manner in which the managers make ethical decisions and the elements deemed relevant to a particular decision. A careful integration of individual characteristics with the ethical climate of the organization will likely provide sound basis for the examination of ethical behaviors and decisions among leaders. Moreover, the context-dependent nature of ethical dilemmas requires an approach that considers the interface between individual characteristics and formal organizational systems that guides and reinforces its members' behaviors (Pimentel et al., 2010).

An ethical person in a leadership position behaves ethically and thus promotes ethical organisational culture. This association was empirically tested by using a large sample of Finnish managers. In general, leadership it can be seen as a culture-influencing activity, "the management of meaning", as brought forth by Smircich and Morgan (1982). Furthermore, Kets de Vries (1994) argues that leaders can have a far-reaching effect on organisational culture through their personal characteristics and behaviour. Definition of ethical leadership by Brown et al. (2005), which emphasises social learning is "Ethical leadership is the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships and the promotion of such conduct to the followers through two-way communication, reinforcement, and decision-making". The concept "normatively appropriate" is deliberately vague, because what is understood as appropriate behaviour is somewhat context dependent (Brown et al., 2005). For example, in some cultures giving public critique about organisational member's behaviour is acceptable, whereas in other cultures such behaviour is seen inappropriate as cited in Huhtala et al. (2013).

Ethical leadership has been, accordingly, found to be positively associated with employee's ethical decision making, prosocial behaviour, satisfaction, motivation and commitment to the organisation while, negatively associated with harmful behaviour (Podsakoff et al., 1990; Vitell & Davis, 1990; Brown & Trevino, 2006). Ethical leadership also predicts employee trust and satisfaction with the leader (Brown et al., 2005; McMurray et al., 2010; Sendjaya & Pekerti, 2010), increases employee commitment (Trevino et al., 1998) and also their willingness to report problems to the

management (Brown et al., 2005). Trevino and Weaver (2003) discovered that when employees were treated fairly, they were more committed to their organisation and unethical conduct in the organisation decreased. In addition organisational justice, including fair treatment of employees, is related to a 13-48 per cent lower rate of sickness absences (Elovainio et al., 2002) and higher work satisfaction (Eberlin & Tatum, 2008).

According to some studies, the line of business and size of the organisation are associated with ethical decision making but the results are somewhat contradictory (Ford & Richardson, 1994; O'Fallon & Butterfield, 2005). Some differences in ethical decision making have also been found between different managerial levels. Lower level managers are focusing more on internal relations and employee interactions, whereas higher level managers can affect organisational finance and implement ethical behaviours into the organisation (Brown & Trevino, 2006). In upper management the focus is also more on external stakeholders, contacts and strategic management. Middle level managers can face additional pressures in ethical decision making, as they are act in between executives and employees, arbitrating their possibly conflicting expectations (Marshall & Cooper, 1979; Jackall, 1988) as cited in Huhtala et al. (2013).

Some studies have shown that practitioners in later career stages display higher ethical judgement (Weeks et al., 1999), and that the ability to identify unethical behaviour that increases with work experience (Larkin, 2000). It has also been found that higher level managers are less likely to detect ethical problems in their organisation (Chonko & Hunt, 1985; Trevino˜ et al., 2008), and that lower level managers are more pessimistic about the ethicality of their organisation (Posner & Schmidt, 1987) as cited in Huhtala et al. (2013).

Developing an ethical work context that is strengthened by a set of ethics codes, training, top management support, compliance and other specific ethics programs such as hotlines, ethics groups and staffing ethics officials (Andreoli & Lefkowitz, 2009; Delaney & Sockell, 1992; Farrell & Farrell, 1998; Ferrell et al., 2008; Trevin˜o & Nelson, 2007). Ethical values influence ethical reasoning by enhancing how individuals' ''perceive'' the ethical context, as well as by demonstrating through action how the company is ethical based on the objective ''reality'' of the work situation (Barnett & Vaicys, 2000; Valentine & Barnett, 2002; Weaver et al., 1999). The defining

role of ethical context is recognized throughout the business ethics literature. Numerous theoretical models suggesting that such an environment enhances employee's ethical decision making and generalized ethical conduct (Ferrell & Gresham, 1985; Ferrell et al., 2007; Hunt & Vitell, 1986; Jones, 1991; Trevino, 1986; Wotruba, 1990). Empirical work also supports the notion that ethical values create a greater sense of ethics in organizations. For instance, Deshpande et al. (2006) using a sample of healthcare professionals determined that both ethics instruction and the ethics exhibited by co-workers resulted in increased individual ethical conduct. Valentine and Barnett (2007) also found that perceptions of ethical context positively influenced sales and marketing employee's ethical judgments and intentions to behave ethically. Finally, Andreoli and Lefkowitz (2009) concluded that ethical climate and ethics-based compliance approaches were associated with decreased individual misconduct among working students representing various organizations (Valentine et al., 2011).

Most ethical decision-making models propose that ethical conduct is influenced by a combination of individual characteristics such as values and cognitive moral development and contextual factors such as reward systems, rules, and codes (e.g., Ferrell, Gresham, & Fraedrich, 1989; Jones, 1991; Trevino, 1986). Although individual characteristics are clearly important, the role of contextual factors seems important from a practical perspective because managers have more control over the work environment than they do over individual's values or moral development (Treviño, Butterfield, & McCabe, 2015). Behavioral ethics researchers have studied a variety of essential organizational context factors that have been shown to contribute to or prevent unethical conduct. Among them are ethical climates (Martin & Cullen, 2006; Simha & Cullen, 2012), cultures (e.g., Schaubroeck et al., 2012), reward systems (Treviño & Youngblood, 1990) and ethical leadership (Brown & Treviño, 2006; Brown & Mitchell, 2010) as cited in Treviño et al. (2014)

Based on the previous research reviewed above, this study attempts to determine both factors that influence the level of ethics and integrity in the organization such as individual characteristics and organizational context factor. There are various individual characteristics and organizational context factors discussed in previous literature. However, in this study, only two factors are studied. For example, the quality of integrity officer and ethical climate. Quality of integrity officer is the main focus study

of this area in order to determine its influence on the level of ethics and integrity in Malaysian public sector. In other words, to study the effectiveness of the Certified Integrity Officer Program conducted by Malaysian Anti-Corruption Academy (MACA). This study has been requested by the related parties such as Malaysian Institute of Integrity. Besides that, this study attempts to measure the ethical climate in the public sector organizations and its effect on the level of ethics and integrity. This will consequently affect the level of organizational commitment of the employees.

3.5.1 Quality of Integrity Officer (CIO)

Despite growing research in behavioural ethics, little is known about one of the most important ethics-related roles in organizations. There are numerous names given for the ethics-related role such as Ethics and Compliance Officer (ECO) (Chandler, 2015; Treviño et al., 2014), Compliance Officer (CO) (David Chandler, 2015), Ethics Ambassador (Irwin & Bradshaw, 2011) and Ethics Officer and Chief Ethics Officer (Guten et al., 2004). In Malaysia, Chief Integrity Officer (CIU) was introduced (Circular No. 6, 2013). Prior to that, MACA had conducted specialized training programme of Certified Integrity Officer (CeIO) to prepare these CIUs for their role and responsibility. However, this study focusses on these population like government officers whom roles as Chief Integrity Officer in the public sector organization.

Ethics ambassadors are chosen to formally help with advancing and inserting the morals strategies, implicit rules and other related arrangements. They will normally be positioned throughout the company across business units, geographical locations, and/or the hierarchy of an organization and form an informal ''network'' of diverse employees with similar responsibilities. This is because they are positioned throughout the organization, ethics ambassadors which can provide local knowledge, language and case studies to help make the ethics program relevant to the needs of the local operating environment. This encourages buy-in from employees and decreases the likelihood of misconceptions, which can arise from faulty translation or clumsy choice of wording (Irwin & Bradshaw, 2011).

Poor interpretation can make incidental obstruction, while authentic setting can be vital to the apparent significance of a word. Mulling over such factors is best done by somebody acquainted with the neighborhood culture and friend's history. Morals

represetatives can likewise go about as a neighborhood purpose of contact so if a representative has a question or a moral quandary, they can converse with a nearby individual as opposed to a phone helpline or an increasingly formal contact at head office. Ambassadors may also deliver training, record and report issues and occasionally help conduct investigations into unethical behavior. However, as their name suggests, it is as advocates for the ethics program that ambassadors are most valuable. For ethics ambassadors to be effective, it is important to have the right people in the role (Irwin & Bradshaw, 2011).

Setting up key credits will recognize individuals with the best fit. The following are some basic properties and aptitudes that are alluring in every single potential ethic ambassadors. They are (a) Working knowledge of the organization, its structure and culture, (b) Industry/sector knowledge, (c) Basic knowledge of relevant legislation underpinning specific aspects of the ethics program such as anti-bribery, (d) Effective communication skills, including presentation, facilitation and listening skills, (e) High emotional intelligence, approachable and able to deal effectively with people, (f) Enthusiasm and passion for ethics, (g) Good judgment, ethical sensitivity and character, (h) Gravitas and credibility as respected in the organization, accessible and well-networked, (i) Positive and persuasive personality and (j) Language skills if it is relevant (Irwin & Bradshaw, 2011).

A similar study was conducted by (Tran, 2010) which stated that a Chief Ethics and Compliance Officer (CECO) is responsible for ethics, corporate and regulatory compliance, security, disaster preparedness, claims, environmental affairs, safety and industrial hygiene and also risk finance and insurance (Qwest, 2008). While several characteristics of the job description are common among CECOs who are effective in their organizations, in practice every organization must define the role of the CECO according to its particular needs and culture. Recognizing the need to strike a balance, Tran (2010) suggested a set of basic definition about the role of the CECO. The designated high-level official within a corporation should be expected to assume a broad and substantial position. It is outlined in the Ethics Resource Center (2007).

CECO is expected to attend meetings of the Board and of Committees on which they serve and to spend whatever time is necessary. This includes the time to review materials distributed in advance of board or committee meetings properly, to discharge

one's responsibilities. CECO has full and free access to officers and employees of the corporation and as necessary, outside advisors. In making any contact with an officer, employee or advisor, the CECO will take into account the potential affect of any such contact and the orderly conduct of the corporation's affairs. The CECO is under great pressure to build and maintain strong organizational ethics programs. The stakes are high for any organization that fails to make ethics a priority and then finds itself embroiled in scandal. Public perceptions often driven by the media may be able to spoil a company's reputation. Lowered trust among stakeholders can devastate organization's ability to attract support for growth (Tran, 2010).

Recently, many organizations are choosing to consolidate the critical responsibility for ethics and compliance programs under CECO. However, the specific roles and reporting lines for this relative newcomer among corporate management positions are not always clearly defined. Many CECOs report feeling set up for failure due to insufficient authority or inadequate resources (Ethics Resource Center, 2007). CECOs whose roles are clearly and properly defined and who are empowered to create and maintain strong ethics programs are defined as to (a) help provide shelter from severe sanctions in the event of legal/regulatory difficulty; (b) contribute to the establishment of an enduring ethical culture; (c) help other corporate leaders prevent misconduct or effectively address it when it occurs; and (d) provide a public demonstration of the organization's commitment to integrity (Tran, 2010).

The CECO must have a very much characterized job and be invested with sufficient assets. This requests a harmony between fitting the activity to an association's exceptional qualities and furnishing the CECO with the fundamental expert and devices that ought to be widespread for all who hold such positions. At minimum, a CECO should be (a) held accountable to the governing authority while carrying out its delegated fiduciary responsibilities; (b) independent to raise matters of concern without fear of reprisal or a conflict of interest; (c) connected to company operations in order to build and ethical culture that advances the overall objectives of the business; (d) given the authority to have decisions and recommendations taken seriously at all levels of the organization; and (e) the CECO also must have the financial and human resources necessary to comprehensively promotional standards, educate the workforce, and respond to potential violations in a timely manner (Tran, 2010).

A CECO's line of detailing is maybe the single greatest effect on his or her believability and expert inside the association. The CECO will have .(a) employment decided and terminated only at the direction of the board of directors; (b) a direct reporting relationship to either the board or the CECO; (c) direct, unfiltered access to the board; (d) performance goals defined by the board and the CECO; and (e) .the CECO position should be augmented by the Board's appointment of one independent director or member of the audit committee, knowledgeable about business ethics and compliance, with accountability for ethics and compliance (Tran, 2010).

A CECO should be a full member of executive leadership and expected to (a) oversee assessment of organizational risk for misconduct and noncompliance; (b) establish organizational objectives for ethics and compliance; (c) manage the organization's entire ethics and compliance program; (d) implement initiatives to foster an ethical culture throughout the organization; (e) supervise ethics and compliance staff embedded throughout the organization; (f) frequently, inform the board of directors and senior management team of risks, incidents, initiatives driven by the ethics and compliance program and progress toward program goals; (g) implement a program of measurement to monitor performance; and (h) oversee periodic measurements of program effectiveness (Tran, 2010).

Like any other member of the senior executive team, a CECO should enter the position with certain knowledge and skills, including (a) management experience; (b) ability to work at the executive level; (c) knowledge of business; (d) knowledge of and passion for ethical conduct and compliance; and (e) strong personal character and a commitment to integrity. Beyond their daily duties, CECOs have a responsibility to themselves and to the broader ethics and compliance field. As executives, CECOs should consider themselves accountable to a standard of conduct equal to that imposed upon other executives, the board, the broader public, and to CECO peers. As a result, CECOs must (a) demand a high standard of conduct from vendors, non-governmental organizations, and others providing ethics and compliance-related services; (b) take responsibility for the preparation of rising CECOs and other ethics and compliance professionals; and (c) advance knowledge and shape public dialogue about ethics and compliance (Tran, 2010).

The CECO role continues to evolve. Infusing and maintaining the highest ethical standards across the extended enterprise are among the most important job responsibilities in corporations today. The role of the CECO has emerged in response to the demand for a more accountable, transparent, and ethical business culture, and the creation of CEO positions across industries is a testimony to corporate leader's recognition of the importance of ethics and compliance in assuring their companie's success and longevity. There are still many executives and boards that have not yet realized the potential of their CEOs in some cases by not providing adequate resources or authority to those holding the position. The CEO investment is always worthwhile because the ethical conduct is a key ingredient in building and sustaining investor and stakeholder trust and also in protecting society from organizational misconduct (Tran, 2010).

Therefore, quality of auditors can be measured by means of independence, competence and work performance as shown in previous studies (Qun, 2013; Ismail, 2016). Meanwhile, research by Wan Norhayatie Wan Daud (2008) measured the Quality of Chief Risk Officer's by looking at the role of CRO (Chief Risk Officer) as need to have an ability to serve as an advisor to CEO, in depth industry experience, integrity and credibility to communicate with business leader, regulators and other stakeholders, comprehensive risk management experience, excellence in managerial skills and able to motivate and lead a diverse group of professional with varying background, quick thinker, strong negotiation skills, strategic thinker and ability to effectively formulate policy to meet strategic objective.

Questions to measure quality of CRO comprise of seven (7) items which are to (1) develop integrated procedures to report on major risks to the board members of CRO (2) regularly meet with the senior executives to promote embedding Risk Management in to daily activities (3) develop a standardized risk information model to the firm (4) maintain a cost benefit which focuses on ERM (5) ensure employees are educated about Risk Management (6) work with unit leaders to ensure that risk identification is included in the overall business plans and (7) work with unit leaders to ensure the most significant risk compliance with the organization's standards. Table 3.4 shows the measurement for quality of different designations.

Table 3.4   Measurement for Quality of Different Designation

Researcher	Designations	Measurement of Quality
Wan Norhayatie Wan Daud (2008)	Quality of Chief Risk Officer's	Questions to measure quality of CRO (Chief Risk Officer) comprise of seven (7) items.
Qun (2013); Ismail (2016)	Quality of auditors	Independence, competence and work performance

In this study, the quality of CIO (Chief Integrity Officer) will use measurement of independence, competence and work performance as factor that influences the level ethics and integrity in public sector organization.

3.5.1.1   Independence

According to Qun (2013), definitions the word 'independence' to internal audit, it is an important characteristic that has to be included to ensure that internal audit is sufficiently effective. His study measured the independence bases on report which operationally is for administrative report purposes. In most circumstances, the CAE should report directly to the chief executive officer of the organisation. Administrative reporting is the reporting relationship within the organization's management structure that facilitates the day-to-day operations of the internal audit such as human resources administration including personnel evaluation and compensation, budgeting, administration of the organizations policies and procedure.

Independence is the freedom from conditions that threaten objectivity or the appearance of objectivity (IIAM, 2008). Independence can be measured in terms of reporting level (Qun, 2013). On the structural side, there was variation in how organizations set up the reporting relationships for the chief Ethics and Compliance Officer. In some cases, these officers were ensconced within the legal department of the firm. In other cases, they were separated and reported directly to the CEO and/or the board of directors. Another structural issue that varied across firms was whether the chief ECO was a part of the senior management team or not. These structural considerations often had direct effects on how ECOs perceived their own legitimacy in the organization. In addition, structural arrangements had the advantage of outlasting any ECO and the more person-based support he or she might develop (Treviño et al., 2014).

Independence refers to the need for individuals to have an attitude and exhibit exemplary behaviour. Other than that, may compromise their positions as independent and responsible professional. Independence seems to be recognized as having the most significant implication on auditor's judgments (Cushing 1991; Ponemon & Gabhart 1989; Wangcharoendate & Ussahawanitchakit 2010). The need for auditors to act with independence is preserved in Part 1, By-Law on Professional Ethics, Section 290 (revised, 2011). The By-Laws detail out several specific prohibitions and general guidelines (MIA, 2011).

The Code of Ethics requires that auditors shall be both independent in mind and independence in appearance. Independence of mind means that the state of mind that permits the expression of a conclusion without being affected by influencers that may compromise the auditor's professional judgments. Individual with independence of mind may act with integrity and exercise with objectivity and professional skepticism. Independence of mind is also referred to an independence. Definitions of independence by International Professional Practices Framework (IPPF) (IIAM, 2008) and in revised IPPF (IIAM, 2011) does not change much as both emphasize that the internal audit should be in a position to carry out its responsibilities in an unbiased manner. Meanwhile, revised IPPF (IIAM, 2011) requires that the chief audit executive (CAE) must be on board, at least annually for organizational independence of the internal audit activity. According to Practice Advisory 1110-2, the IIA believes strongly that to achieve necessary independence, the Chief Audit Executive (CAE) should report functionally to the audit committee or its board of directors, or other appropriate governing authority.

Report functionally means that the governing authority such as the internal audit must report to the head of department which is the Chief Audit Executive-CAE to (i) approve the internal audit risk assessment and related audit plan, (ii) receive communications from the CAE on the results of the internal audit activities or other matters that the CAE determine are necessary, including private meetings with the CAE without management present, (iii) approve all decisions regarding the appointment or removal of the CAE, (iv) approve the annual compensation and salary adjustment of the CAE and (v) make appropriate inquiries of management and the CAE to determine

whether there is scope or budgetary limitations that may impede the ability of the internal audit to execute its responsibilities.

When ECOs talked about structural associations, they generally focused on reporting relationships and the importance of independence so that they could create authority for themselves if only by the association and if they do their jobs without fear of being fired. The consensus was that unless you had a particularly sensitive and supportive General Counsel as some who reported to them did, reporting to the CEO with a dotted line to the audit committee of the board conveyed needed legitimacy and protection (Treviño et al., 2014).

Thus, auditors must be independent in appearance when doing professional work as independence is considered the backbone of exercising auditing profession. The auditor must execute his duty with dignity, objectivity and full intellectual independence (Al-Tamimi, 2006). Flayyeh, Al, Mohammad and Othman (2014) measure independence of auditor through impact of the independence and professional neutrality of the Auditor on the quality of auditing.

In the case of CIO, reporting operationally refers to reporting within the organization's management structure that facilitates the day-to- day operations of the internal activity. For example, coordinate and monitor integrity programs of the CIO that requires reporting to Head of Department.

Reporting functionally is directly reporting to a higher level outside the organisation by the CIO on issues related to the abuse of power and money laundering. Outside parties include the Agency Integrity Management Division to avoid restraining of the report by the organization. At the individual objectivity level, CIO should have an impartial, unbiased attitude and avoid conflicts of interest in conducting engagements towards the level of ethics and integrity in an organization public sector. It is recommended that they reported to the General Secretary of Ministry or Head of Department and the Agency Integrity Management Division every four months. For example, every 15th of May, September and January (Circular No. 6, 2013). Thus, independence level of CIO in this study can be measured by reporting level whether functionally or operationally report.

Table 3.5 shows the definition and measurement of independence.

Table 3.5   Definition and Measurement of Independence

Researcher	Antecedents of Independence	Definition	Measurement
IPPF (IIAM, 2008); IPPF (IIAM, 2011); Qun,2013	Independence	To carry out its responsibilities in an unbiased manner Must confirm to the board, at least annually, the organizational independence of the internal audit activity. Independence definition is the freedom from conditions that threaten objectivity or the appearance of objectivity.	Measured in terms of reporting level by functionally and operationally report.
Arens et al. (1999)	Independence in auditing	As taking an unbiased viewpoint in the performance of audit tests, the evaluations of the results and the issuances of audit reports.	Measure independence of auditor through impact of the independence and professional neutrality of the Auditor on the quality of auditing.

3.5.1.2   Competence

According, Thomson (1995) defines competence as "attributes needed by an individual to perform work. An individual become competent through a combination of education, training and work practices. Studied conducted by (G. Meyer, Brünig, & Nyhuis, 2015) competence has been classified to four facets is professional, methodological, social and self-competence (Kauffeld, 2006). Measurement professional competence addresses the skills and knowledge that the employee has to have in order to practice his or her occupation as well as the ability to identify potential for improvement within the company and develop relevant technical solution (Kauffeld, 2006: Rauner et al, 2013: Heinen, 2013). Methodologies competence is the cognitive skill of an individual to learn new working methods independently or gain new expertise (Erpenbeck & Michel, 2006). These skills should be used across setting and applied to particular situations (Heinen, 2011: Kauffeld, 2006). Social competence involves the experience, knowledge and ability to cope with various social interaction situation (Frey & Ruppert, 2013; Kauffeld, 2006). Self-competence is the ability for self-assessment and for the independent creations of conditions in which an individual

as well as his or her value and attitudes toward their own work and development (Frey & Ruppert, 2013; Kauffeld, 2006).

Cheng at al. (2003) analyzed US and UK competence model. In the UK the use of 'competences' to establish 'appropriate standards' for certification is a professional body seems to be closely linked with the 'adequacy' connotation of the term. The dominant approach in the USA has been to employ as person-oriented job analysis to identify those characteristics distinguishing superior performers (Cheng et al., 2003). Previous studies was showed, the term competence can be differently interpreted. Then, the latter competence definition is followed by many researchers within the management sciences and usually implies that empirical studies can easily assess existing skills, knowledge and abilities that are measurable.

The America researcher Klemp and Mc Clelland (1989) defines competencies as attributes of an individual that are necessary for effective performance in a job or life role". The measured of attribute included (1) general or specialized knowledge of use in an occupation; (2) abilities is both physical and intellectual; (3) traits, such as energy level and certain personality types; (4) motive or need states that direct individual towards desired behavior patterns; and (5) self-images that reflect the roles people see themselves in and their concept of how effective they are in their roles.

Competence is one of the important characteristic to employees and employers in an organization. It is important because this will show their outcome work whether they doing with good result or bad result in every responsibility for all tasks. Individual competence can be described as a set of skills and knowledge that an individual need in order to perform a specified job effectively (Baker et al., 1997). A much more accurate and more comprehensive definition is formulated by Juceviciene (2007). She argues that individual competence is a person's knowledge, skills, abilities, attitudes and values that are actualized through a person's successful performance in a specific field. Individual competence should be restricted to those component, which leads to a successful performance or result (Rakickaite, Juceviciene, & Vaitkiene, 2011). Skills are the components of individual competence.

Defining individual competence, researchers (Bergenhenegouwen, Horn & Mooijman, 1996; Taatila, 2004; Juceviciene, 2007) unanimously agree that knowledge

and skills are the components of competence. Bergenhenegouwen, Horn and Mooijman (1996) portrays an individual competence as an iceberg where the visible top or the first level of the iceberg is a competence structure and followed by observable (instrumental) knowledge and skills that are related to carrying out work or holding a position which are necessary to enable the occupation, job or task to be performed properly. Taatila (2004) emphasized that knowledge and skills are the basic requirement for the tasks. He noted that even if the other aspects of the individual such as creativity and motivation were in good place, if the person could not weld, than the person would be assessed as being totally incompetent as a welder. Knowledge is an essential resource of professional services firms. Theoretical knowledge and formal education is the leading requirement for professionals' qualification. Skills are the components of individual competence. A skill is an automated action of thinking and practical activities (Jovaisa, 1993). Knowledge and skills lead to qualification which represents a possession of formal powers and can be characterized as the set of the knowledge and skills (Jucevicience, 2014).

According to (Irwin & Bradshaw, 2011), for ethics ambassadors to be effective, it is important to have the right people in the role. Establishing key attributes will help to identify people with the best fit. Following are some common attributes and skills that are desirable in all potential ethics ambassadors which are (i) Working knowledge of the organization, its structure and culture; (ii) Industry/sector knowledge; (iii) Basic knowledge of relevant legislation underpinning specific aspects of the ethics program like anti-bribery; (iv) Effective communication skills, including presentation, facilitation and listening skills; (v) Highly ''emotional intelligence,'' approachable and able to deal effectively with people; (vi) Enthusiasm and passion for ethics; (vii) Good judgment, ethical sensitivity and character; (viii) Gravitas and credibility, respected in the organization, accessible and well-networked; (ix) Positive and persuasive personality and (x) Language skills.

According to Qun (2013), definition of competence is the quality of being adequately or well qualified physically and intellectually. Meanwhile, measured of competence is looking at years of experience and educational qualification level. He conducted the study on competence of internal auditors based on the sum of mean educational qualification level of audit staff which and internal auditor's average score.

Score of four will be awarded for "PhD", three for "master", two for "degree" and one for "diploma". The mean of educational qualification is the sum of the score divided by the maximum score given the number of staff. For years of experience on average, the more experienced staff usually have accumulated more knowledge and skills. Therefore the score of six will be awarded for "more than 15 years", five for "12 to less than 15 years", four for "9 to less than 12 years", three for "6 to less than 9 years", two for "3 to less than 6 years" and one for "Less than 3 years". The mean of experience is derived by dividing the sum of score by the maximum score. Similarly, in this study, the measurement of CIO competence will be based on the educational qualification level and working experience. Definition and measurement of competence used in previous literatures are as shown in Table 3.6

Table 3.6   Definition and Measurement of Competence

Researcher	Definition	Measurement
Thomson (1995)	Attributes needed by an individual to perform work	Education, training and work practices
Researcher by management science	-	Skill, knowledge, abilities
Klemp and Mc Clelland (1989)	As attributes of an individual that are necessary for effective performance in a job or life role	Specialized knowledge, abilities, traits (personality), motive (individual towards behaviors) and self-images (effectives their roles).
Bergenhenegouwen, Horn & Mooijman, 1996; Taatila, 2004; Juceviciene, 2007	Knowledge and skills are the components of competence.	Action of thinking and practical activities. Qualification
Qun (2013)	The quality of being adequately or well qualified physically and intellectually.	Experience Educational qualification level.

3.5.1.3   Work Performance

Campbell (1990) definition of work performance as a behaviors or actions that are relevant to the goals of the organization. There are also three notions of different defining work performance namely (1) in terms of behavior rather than results, (2) includes only those behaviors that are relevant to the organization's goals, and (3) it is multidimensional. Meanwhile, (Viswesvaran and Ones, 2000) defined work performance as scalable actions, behavior and outcomes that employees engage in or

bring about that are linked with and contribute to organizational goals (Koopmans et al., 2011).

Besides that, definition of work performance (IIAM, 2008) is a process of procedures that includes audit planning, performing engagement and communicating audit results. According to studies done by Qun (2013), work performance is the responsibilities of internal audit in order to ensure accomplishment of objective that may effect the quality of work performance. This ensures that all planned work is of highest priority and that audit resources are utilized in the best possible way. The IIA Performance Standard 2200 (IIAM, 2008) deals with engagement planning and states that internal auditors should develop and record a plan for each engagement, including the scope, objective, timing and resource allocations. Engagement planning involved consideration of the adequacy for the scope of work and related programs in order to see whether it is performed by a person who has adequate technical training and proficiency. His studies were used measurement of work performance which are through engagement planning, performing the engagement and commutating results of the engagement.

Studies by Al-Twaijry et al. (2004) used different set of criteria to measure internal auditor's work performance which are quantity and quality of internal audit's working paper documentation and report, level of compliance between the work of the internal audit and the Standards of the IPPF (IIAM, 2008) which were issued by the Institute of Internal Auditor.

Murphy K. R. (1989), stated that work performance domain could be modelled following four dimension namely (1) task behaviour (Role); (2) interpersonal behaviour (communicating and cooperation with others); (3) downtime behaviours (work-avoidance behaviours); and (4) destructive/hazardous behaviours (behaviours that lead to a clear risk of productivity losses, damage or other setback). Another scholar Bartol (1991), measured the performance of police officer's using eight (8) content area and they are: (1) job knowledge; (2) quality of work; (3) cooperation; (4) responsibility; (5) initiative; (6) quantity of work; (7) dependability; and (8) interaction with public.

Previously, researcher and authors are strongly suggested that work performance should be measured as behavioral outcomes that consisted of task performance and

contextual performance (Campbell, 1990; Borman and Motowidlo, 1993, 1997; Motowidlo and Van Scotter, 1994; Motowidlo and Schmit, 1999). These constructs reflect different aspects of overall work performance (Griffin et al., 2000) and they are presumed to exist in virtually all jobs (Hattrup et al., 1998). Task performance or in-role performance can be defined as the effectiveness in which employees perform activities that contribute to the organization's technical core (Borman and Motowidlo, 1997).

Employees can add value either directly by designing and implementing a part of its technological process, such as creating a product prototype, delivering and improving a service, managing subordinates, or indirectly by providing it with the needed knowledge support. This type of performance refers to activities that are formally a part of a job description and evaluates the basic required duties of a particular job (Ng and Feldman, 2009). Contextual performance or extra-role performance which is a construct and very similar in nature to organizational citizenship behavior (OCB) (Organ, 1988, 1997). These behavior that does not necessarily support the organization's technical core as much as it supports the organization's climate and culture (Motowidlo and Van Scotter, 1994; Conway, 1996; Borman and Motowidlo, 1997; Motowidlo et al., 1997; Edwards et al., 2008; Jex and Britt, 2008).
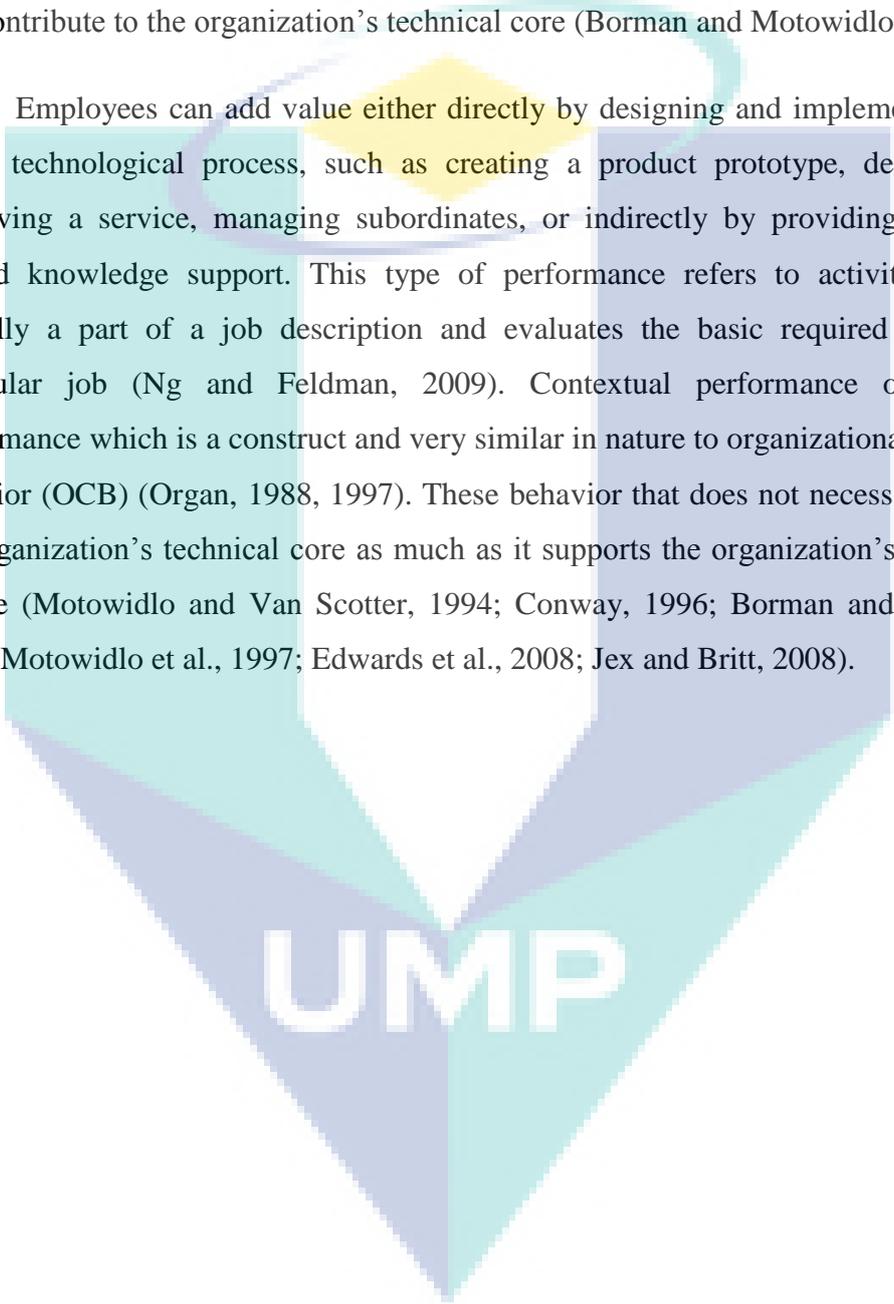
Table 3.7: shows the definition and measurement of work performance used in previous research.

Table 3.7   Definition and Measurement of Work Performance

Researcher	Definition	Measurement
Campbell, 1990; Borman and Motowidlo, (1993; 1997); Motowidlo and Van Scotter, (1994); Motowidlo and Schmit, (1999)	Behaviours or actions that are relevant to the goals of the organization	Behavioral out comes that consist of task performance and contextual performance
Bartol (1991)	-	(1) job knowledge; (2) quality of work; (3) cooperation; (4) responsibility; (5) initiative; (6) quantity of work; (7) dependability; and (8) interaction with public.
Viswesvaran & Ones (2000)	Scalable actions, behaviour and outcomes that employees engage in or bring about that are linked with and contributed to the organizational goals	-
(IIAM, 2008), Qun (2013)	Responsibilities of internal audit is to ensure accomplishment of objective effecting and quality of work performance	Engagement planning, performing the engagement, and commutating results of engagement

The code of conduct is used as ethical base or the principles of personal integrity. The objective code of ethics are (i) to inculcate noble characteristics in performing duties so as to improve work quality and productivity; (ii) to improve self-discipline in order to provide the organisation with good and quality service and (iii) to enhance skills in the implementation of duties and to be able to adapt to the work environment (OfficialWebsite). The principles and work ethics upheld by the Prime Minister of Malaysia's office included the following as shown in Table 3.8.

Table 3.8   Principle and Work Ethics Upheld by the Prime Minister's Office

Trust	To perform duties with full responsibility
Integrity	To practise values of honesty, sincerity and integrity in all matters
Responsibility	To possess high accountability and responsibility in performing duties, without abusing power and position for self-gain or the benefit of other interested parties
Excellence	To constantly endeavour to improve knowledge, creativity and innovation as well as team spirit
Loyalty	To have undivided loyalty to the department and nation at all times in order to safeguard image and sovereignty
Commitment	To carry out work with full responsibility at all times and not disregard public responsibilities because of personal interest
Dedication	To be prepared to take on responsibilities at any time with no expectations of reward but for the good of the department and the government
Discipline	To be constantly on good behaviour, observe the laws and regulations and punctuality
Diligence	To carry out duties efficiently, effectively and productively at all times in order to produce excellent service
Professionalism	To constantly improve knowledge and skills to provide efficient, prompt and meticulous services as well as to possess characteristics of creativity, innovation, motivation, competitiveness and accountability

In this study, work performance is defined as the role of the CIO to ensure the level of ethics and integrity of an organizations. The roles are as listed in Circular Series 1 No.1 (2011) the CeIOs' roles as follow:

i.   Coordinate and monitor integrity programme
ii.   Report any breach of integrity
iii.   Coordinate the actions taken on breach of integrity
iv.   Implement a recovery program on integrity
v.   Publication of integrity related article
vi.   Assist and support of Committee on Integrity Governance (CIG) secretariat
vii.   Advice management on integrity matters
viii. Monitor the services delivery system of the organization
ix.   Act as a liaison officer organization to Corporate Integrity Development Center (CIDC)
x.   Ensuring compliance to the directives/regulations issued by the organization

These roles are to measure the quality of CIO. Therefore, this study will use the role of CIO as a measurement of work performance which is one of the dimensions for quality.

3.5.2 Ethical Climate

As the tragic stories of Enron, Tyco, and WorldCom attest, organizational ethics are one of the most important ingredients that affect not only organizational effectiveness but also survival (Bartels et al., 1998; Buller and McEvoy, 1999; Hunt et al., 1989). In particular, much attention has been paid on ethical climate in organizational ethics literatures, because ethical climate is a critical factor influencing the employee's perception on how their organization emphasizes on the ethical aspect of business and encourages employee's ethical work behaviors (Martin and Cullen, 2006; Schminke et al., 2007) as cited in Kwon Choi et al. (2013).

Specifically, an ethical climate can be defined as the employee's perception of what constitutes ethically right or wrong behavior thus, ethical climate becomes a psychological mechanism through which ethical issues are managed in an organization (Martin and Cullen, 2006; Wimbush and Shepard, 1994). Researchers have proposed that ethical climate plays various roles in an organization (Victor and Cullen, 1998; Wimbush and Shepard, 1994). For instance, ethical climate can discourage employees from engaging in unethical behavior (Cullen et al., 2003; Wimbush and Shepard, 1994). 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 behaviours are acceptable or not in an 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 (Kwon Choi et al., 2013).

Based on previous research, Victor and Cullen (1988) defined ethical climate as the prevailing perceptions of typical organizational practices and procedures that have ethical content or those aspects of work climate that determine what constitutes ethical behavior at work. Ethical climate can be measured using four-item subscales measure following nine theoretical dimensions of ethical climate which are self-interest, company profit, efficiency, friendship, team-interest, social responsibility, personal morality, rules and standard operating procedures, and also laws and professional codes. Ethical climate is the perception of what constitutes right behavior. Ethical climate influences both the decision-making and subsequent behavior in response to ethical dilemmas (Martin and Cullen, 2006).

This climate sets the tone for decision making at all levels and in all circumstances. In their paper, Abdullah, Sulong, and Said (2014) used the term ethical climate interchangeably with the ethical culture. Ethical climate/culture measurement is adopted from the scale developed by Victor & Cullen (1988) and Suar & Khuntia (2004). This is based on ten–item that measures management perception on ethical climate in existing organization. The definition and measurement of ethical climate is shown in Table 3.9.

Table 3.9   Definition and Measurement of Ethical Climate

Researcher	Operational Definition	Measurement
Victor and Cullen (1988)	The prevailing perceptions of typical organizational practices and procedures that have ethical content or those aspects of work climate that determines what constitutes ethical behavior at work	Self-interest, company profit, efficiency, friendship, team-interest, social responsibility, personal morality, rules and standard operating procedures and also laws and professional codes.
Sims (1992) as cited in Laratta (2010)	Shared set of understandings about what correct behavior is and how ethical issues will be handled. This climate sets the tone for decision making at all levels and in all circumstances.	-
Abdullah, Sulong, and Said (2014)	Term ethical climate interchangeably with the ethical culture	Measurement is adopted from the scale developed in Victor & Cullen (1988) and Suar & Khuntia (2004). This is based on the ten–item measures

Victor and Cullen (1998) had proposed nine dimensions of ethical climate based on three classes of philosophy that are principle, benevolence and egoism with respect to individual, local and cosmopolitan as shown in Table 3.10. Arguably the most influential conceptual frameworks in the business ethics domain (Martin and Cullen, 2006) is the Ethical Climate Questionnaire ("ECQ") (Cullen and Victor, 1993). Figure 1 demonstrates that the ECQ develops a two-dimensional model of ethical climate types. The two dimensions are locus of analysis and ethical theories. Locus of analysis includes the individual's level, the local level and the society at large (cosmopolitan). The three ethical theories examined by the survey include egoism, benevolence and principle. Egoism would be considered the most self-interested and principled would be adhering to universal principles. Combining these two dimensions leads to the ethical

climate theory matrix. In general, the ethical climate improves as you move from the upper-left quadrant to the lower right quadrant.

To empirically test for the existence of these nine ethical climate types, Victor and Cullen developed the ethical climate questionnaire (ECQ) for measuring ethical climate. Across a series of survey studies, they validated the existence of some, but not all, of the proposed climate types (Cullen and Bronsons 1993; Victor and Cullen, 1987; 1988). In a key test of their typology (Victor and Cullen, 1988), the nine dimensions reduced to five that they labelled caring, law and code, rules, instrumental and independence. Three of these dimensions were consistent with the proposed typology. Law and code was comprised of items representing the original principle-cosmopolitan dimension. Rules were comprised of items representing the original principle-local dimension. Independence was comprised of items representing the original principle-individual dimension, however it had a relatively low reliability of .60. The instrumental dimension was comprised of egoism items from all three levels.

Finally, the caring dimension was comprised of a variety of items from all three levels and also the benevolence, egoism and principle categories. Thus, the observational proof proposed that a decreased number of moral atmosphere measurements could be utilized to depict a few parts of an association's moral setting. Furthermore, Victor and Cullen (1987) found that different ethical climates exist within and between organizations. Most of the organizations appear to have a dominant ethical climate type. This research used the Ethical Climate Questionnaire (ECQ) developed by Victor and Cullen (1988).

Table 3.10   Conceptualization of Ethical Climate

Three Major Classes (Ethical Theory)	Locus of Analysis ECQ		
	Individual Climate (IC)	**Local Climate (LC)**	**Cosmopolitan Climate (CC)**
Egoism	Self-interest is the normative expectation	Company interest guides ethical decision	Efficiency is a normative criteria
Benevolence	Welfare of individual	Group inside the organization	External to the organization guides decision
Principle	Personal Moral guide decisions	Organizational rules and regulations are the normative criteria	External laws and codes guide ethical decision

3.6 Relationship of Antecedents and Outcome of Level of Ethics and Integrity

3.6.1 Relationship between Quality CeIO to Level Ethics and Integrity

Ethics ambassadors contribute to the embedding of ethical values and strengthen the ethics program in the following ways (a) Acting as local ''eyes and ears''; (b) Bringing local knowledge to the design and functioning of the program and developing locally relevant case studies to be used for training purposes; (c) Enhancing employee knowledge, acceptance and implementation of the ethics policy; (d) Offering on-the-ground support to employees; (e) Achieving greater consistency in implementation and execution; (f) Reminding and cajoling leaders into discharging their accountabilities, so that ethics programs remain ''top of mind'' and (g) Advocacy of the importance of ethics in decision making (Irwin & Bradshaw, 2011).

Ethics ambassadors help to guarantee consistency in the execution of the program over the substantial association. This is especially valid for organizations working in very directed enterprises, a scope of locales or those required to consent to guidelines of a stock trade. Consistency is imperative as organizations must be believed to apply comparable gauges wherever they work. Setting up a system of morals represetatives which is appropriated over the association, geologically, departmentally and progressively is one way to ensure ethical values are part of ''the way business is done around here''. It is vital that HR works closely with those who have responsibility for ethics within the organization to ensure that such a network can run efficiently with the right candidates for the job. Creating a culture of openness, where ethical dilemmas are disclosed and discussed will go some way to mitigate against integrity risks but also financial, technological or reputational risks (Irwin & Bradshaw, 2011).

In his paper (Duggar, 2009), it discusses two level of integrity which are individual and corporate levels. He states that at the individual level, integrity is more than ethics and it is all about the character of the individual. It is those characteristics of an individual that are consistently considerate, compassionate, transparent, honest and ethical. At the corporate level, integrity refers to the culture, policies, and leadership philosophy. A culture of integrity has to start at the top and be seen in the conduct and activities of the executives. High integrity organizations are characterized as organizations that are collaborative, constructive, innovative, and transparent with high

employee morale, valued customer loyalty and strong partnerships. The integrity assumes that individual leaders of integrity can create a consensus around a culture of integrity within a corporation.

Chandler (2015) mentioned that, the creation of the Ethics and Compliance Officer (ECO) position represents the enactment of values in relation to ethical behavior (Weaver et al., 1999a). This means it is realized through resource commitments in implementation and the response of stakeholders to these commitments. This is important because, in order to remain relevant, institutions must be actively maintained (Dacin, Munir, & Tracey, 2010; Lok & de Rond, 2013). They need to be meaningful for constituents or otherwise they are ignored or replaced (Oliver, 1992).

It is believed that the contacts that employees have with their ECO via the helpline are a direct reflection of the ECO's ability to generate an "ethical culture," which is connected to the ethical behavior of its employees. If it is true, the extent to which a firm is committed to the ECO position will have direct consequences in terms of the volume and nature of helpline contacts. In particular, the number of serious incidents reported via the ethics helpline is an important indicator both of a firm's ethics culture and employee's attention to the firm's ethics actions (Chandler, 2015).

3.6.1.1 Relationship between Quality of CeIO (Independence) to Level of Ethics and Integrity

Chandler (2015) cited that ECO implementation captures both the scale and scope of organizational resource commitments to the ECO position. Access to both tangible and intangible resources is understood by management researchers to be a source of power and legitimacy within the firm (Cyert & March, 1963). In particular, such access is recognized as evidence of commitment to a position in areas such as ethics (Chandler, 2014b; Lounsbury, 2001). As such, the extent of implementation is operationalized as a relative measure where by all else equal, the greater the ECO's access to valuable resources, the more substantive its ethics program implementation (Chandler, 2015). The successfulness of ethics-related program will directly impact the level of ethics and integrity in the organization. Another researcher, (Jackling, Cooper, Leung, & Dellaportas, 2007) reported that "failure to maintain objectivity and

independence" is considered to be the most likely factors to cause ethical failure in the organization.

Meanwhile, an audit committee is a board committee with the main responsibility of monitoring the integrity of financial reporting. Most companies also assign oversight responsibility over ethics to this committee. Blue Ribbon Committee (1999) stated that audit committee independence is positively related to the number of its outside directors who have no personal or financial relations with the firm or its executives. Klein (2002) finds a lower incidence of earnings management when a firm has a higher percentage of outside independent directors on the audit committee. Abbott et al. (2004) and Persons (2005) find a negative association between the audit committee independence and the likelihood of financial reporting restatement and financial reporting fraud. Persons (2009) also reports that firms which made earlier voluntary ethics disclosure were likely to have a more independent audit committee. These studies supported the view that a more independent audit committee contributes positively to ethical reporting and imply a negative relation between audit committee independence and a likelihood of not adopting an ethics code.

3.6.1.2 Relationship between Quality of CIO (Competence) to Level of Ethics and Integrity

Competence plays significant relationship with ethics and integrity in a few significant ethical judgment models (Hunt & Vitel Theory of Ethics, 1993; 1986). According to Hunt & Vintel competence influence ethicalness in organizations. The more competence officer will influence a good ethics programs to be in place. Ethics ambassador as ethics officer by research (Irwin & Bradshaw, 2011). A morals program requires different segments such as preparing a correspondences system and a talk up methodology. Implanting moral standards for business leads all through an association so they impact culture, basic leadership and conduct can be a testing and extensive procedure requiring affectability, persistence and assets. An excellent way to implement the various elements of such a program throughout a global organization is by using ethics ambassadors. Ethics ambassadors can provide local knowledge, language and case studies to help make the ethics program relevant to the needs of the local operating environment (Irwin & Bradshaw, 2011). To fulfil all these elements, ethics ambassador must be equipped with various skills, knowledge and great experiences like

competency. Consequently, it will affect the level of ethics and integrity in the organization where the ethics ambassador works.

Rai (2008) stated that the competence of auditors where by the organization's qualifications will be required by the auditors to conduct the audit properly. In conducting the audit, an auditor must have a good personal quality, adequate knowledge, as well as specialized expertise in the field. An auditor has a role as a controller and guard the public interest related to finance. In performing the audit role, they are responsible to plan and perform the audit to obtain reasonable assurance whether financial report free of material misstatement, to support the role of the noble enough, an auditor must be supported with adequate competence and audit techniques. According to Percy (2007) the user's financial statements will be looking for audit practice which covers duties such as the accounts are right; companies will not fail; companies will guard against fraud and error; companies will act within the rules; companies will be competently managed; and companies will adopt a responsible attitude to environmental and societal factor (S. Bouhawia, Irianto, & Baridwan, 2015).

Nabila (2008) found that competence have significant relationship with organizational commitment. Zahariah, et al. (2009), Sethela and Rosli (2011), Mujeeb, et al (2011), Selma (2011) and Simpson (2012), indicated that there is a direct and indirect relationship between competence (ability), motivation, organizational culture and organizational commitment. Ulrich (1998) stated that commitment without competence would lead to the failure to maintain a sustainable life for the organization. Hsiang Wu (2010) analysis results showed that competency training was positively related to organizational commitment. Fadli et al. (2012), the competence of employees had positive influences on work commitments. It proves that there is a significant relationship between the competences of employees to work commitments, thus competencies are strong enough to influence employee's work commitment. Competency of the lecturer does not have significant effect on organizational commitments at state university of East Kalimantan (Ana Sriekaningsih & Djoko Setyadi, 2015).

Meanwhile, (Mihret and Yismaw, 2007) stated that the Internal Audit Office of the organization studied has low technical staff proficiency and high staff turnover, which would limit its capacity to provide effective service to the management. Most of

the employees have a short-term employment contract and needed to upgrade their competencies to enable them to provide the expected high-quality. Therefore, competence of quality of CIOs is very important to enhance the technical proficiency and minimise staff turnover as to foster audit effectiveness particularly related ethics and integrity in the organizations.

3.6.1.3 Relationship between Quality of CIO (Work Performance) to the Level of Ethics and Integrity

As cited in Treviño et al. (2014), Ethic Compliance Officers' (ECO) efforts to initiate and manage a variety of programs such as codes of conduct, training, helplines, investigation procedures, can be beneficial in terms of improving employee's perceptions and decreasing inappropriate conduct (Treviño, Weaver, Gibson, & Toffler, 1999). It is the ECO's responsibility to create the rules, norms, and organizational culture that defines the parameters of permissible behavior for employees and ensures the firm remains compliant with the law. The ECO does this primarily through the core activities of conducting firm wide risk assessments, writing the firm's ethics code, developing ethics training for employees, managing the firm's ethics helpline, and reporting ethics issues to the Board. Advocates of the ECO position believe that a comprehensive ethics program helps create a stable and effective ethical culture that is beneficial for firms (Chandler, 2015).

Studies done by Koopmans et al. (2011) found that work performance is behaviour or action that are relevant to the organization. The dimension of work performance that comprise namely task performance such as work quantity and quality, job skills and knowledge; context performance like showing responsibility, communicating effectively, job-scope and cooperating with others; and have a relationship with outcome good performance to a goal of the organization. For example, a job scope related to ethics and integrity, the individual person-in-charge will be show performance more to responsibility and to reduce the unethical action such as corruption, bribery and fraud. Meanwhile, Qun, (2013) stated that a relationship on work performance depends on the internal audit and internal audit effectiveness. This significant relationship shows that the quality of work performance such as planned, performed, reviewed, adequacy of audit programme is important to ensure the accomplishment of engagement objective effectively and efficiently in the organization.

Therefore, work performance quality of CIO is very important and proper engagement planning, performing the engagement with due care and comunting results are important to enhance ethics and integrity as an internal audit effectiveness in their job scope.

3.6.2 Relationship of Ethical Climate and the Level of Ethics and Integrity

Having determined that the measure of ethical climate captures some aspects of organization's ethical context and that can differentiate between organizations and departments, researchers have also explored the relationship between ethical climate and attitudinal and behavioural outcomes. General work climates have been found to influence several organizational outcomes such as performance and satisfaction. Accordingly, Victor and Cullen (1987; 1988) suggested that ethical climates should influence attitudes and behaviors by providing information about the organization and guidance regarding appropriate conduct.

Studies done by Abdullah, Sulong, and Said (2014) and Wumbush et al. (1997) have suggested that there is a relationship between the ethical climate of an organization and the ethical decisions its employees make. An organization that has shaped an ethical climate and culture should be less likely to house unethical behaviours. Implementing ethical climate or ethical culture can help to resolve the issues related to unethical behavioural practices in the organization. Hung, Tsai & Wu (2015), found a significant relationship between ethical work climate and normative commitment.

In addition, a study done by W. Shafer (2015) examined the ethical climate of professional accountants in Hong Kong and found that ethical climate has a significant relationship with ethical judgements. This result is in line with his previous study which focuses on local and international CPA firms in China (W. E. Shafer, 2008). It appears that there is a significant relationship between perceived ethical climate and intention to conduct questionable actions (Haron, Ismail, & Na, 2015). The researchers Haron et al. (2015) found that the level of perceived ethical climate has a positive effect on the ethical decisions made. This result is also consistent with the findings by Ghazali & Ismail (2013) whereby accountants who are attached to corporations with higher ethical standard are stricter in making decisions in questionable ethical conduct. In short, perceived ethical climate significantly affects an accountant's ethical decision making.

As cited in Kolthoff, Erakovich, & Lasthuizen (2010), organizational ethical climate is a normative construct of shared behaviors guided by policies, procedures and systems in an organization that direct organizational member's ethical actions and decisions (Agarwal and Malloy, 1999; Wyld and Jones, 1997; Key, 1999). These behaviors are observable and may influence organizational members in decision-making processes and involvement in misconduct (Vardi, 2001).

Meanwhile, organizational ethical climate refers to a few models of ethical judgment support that has a significant relationship with perceived ethical problem. Hunt and Vitell's Theory of Ethics (1993; 1986) also posit that organizational environment influences people in perceiving ethical problems. Similarly, prior studies indicate that the more ethical the employees perceived the climate in their organization, the higher is their ability to perceive ethical problems (Marta, 1999; Patterson 1994). Hence, the less likely are unethical judgment to occur. The researcher Marta (1999) did an empirical study on significant factors of perceived ethical problem, ethical judgments and intentions. The study found that the correlation and path analysis indicated marketers who work in organizations with higher ethical climate were more of situations with problematic ethical content. Thus, they were more likely to form ethical judgments. Petterson (1994) conducted an empirical study which tested a model of ethical/unethical judgments by auditors and the research addressed the relative's importance of organizational ethical climate in determining perceived ethical problems. Likewise, the study was analyzed with SEM using Lisrel program. The results supported the model that the organizational ethical influences the respondents perceived ethical problem. All the relationships mentioned previously can be related with the level of ethics and integrity in the organization. In other words, ethical climate of the organization influences the ethical decision making and eventually gives impact on the level of ethics and integrity.

Table 3.11   Summary on Studies of Ethical Climate on Level of Ethics and Integrity

No.	Author	Title	IV	DV	Theory	Methodology	Finding
1	Linda Klebe Trevino, Kenneth D. Butterfield and Donald L. Mc Cabe (1998)	The Ethical Context In Organization Influences On Employee Attitudes And Behaviors	Ethical Climate (self-interest, company profit, efficiency, friendship, team-interest, social responsibility, personal morality, rules and standard operating procedures and also law and professional codes	Organizational Commitment (attitudes or goal organizations, employee internalization the organization perspectives, observed unethical behavior)	Theory Ethical Climate	Sample is 1200 male and female alumni of 2 private colleges (600 of each collage sample) at Northeastern United States. Graduated between 5 and 30 years before and work variety in business occupation, industries and organizational sizes. Mailed a cover letter with questionnaire to respondents.	Regression results indicated, ethical culture based dimension was more strongly associated with observed unethical conduct in code organizations while climate-based dimension were more strongly associated with observed unethical conduct in non-code organizationa.
2.	Shahidul Hassan, Bradley E. Wraight, Gary Yuki (2014)	Does Ethical Leadership Matter in Government? Effects on Organizational Commitment, Absenteeism, and Willingness to Report Ethical Problem.	Supportive Behavior, Procedural Fairness, Affective Commitment, Overall Commitment, Willingness to Report Ethical Problem	Ethical Leadership	Social Exchange Theory	Survey was conducted in state government in the Midwestern United States. Questionnaire is surveys were distributed and collected electronically. Subordinate questionnaire to collect data regarding ethical leadership, pre-test with small group employee (n=9). Contacted 820 employees by e-mail & electronic survey, 477 usable responses, 161 of supervisor returned survey to subordinate.	Ethical leadership as anticipated, have significant positive correlation with employee willingness to report ethical problem, self-reported affective commitment and supervisor-rated subordinate commitment and significant negative correlation with absences. These results showed preliminary support for the three research hypotheses.

3.7 Theoretical Framework

This study utilizes the principles of Hunt and Vitell's Theory of Ethics (1993; 1986) for its theoretical framework. As stated in the theory, personal characteristics and environment of culture, profession, industry and organization influence perceived level of ethics and integrity. Following the theory, this study posits that quality of CIO (Chief Integrity Officer) and also ethical climate has significant relationship with level of ethics and integrity. Thus, quality of CIO (competence, independence, work performance) represents personal characteristics and profession. The variable ethical climate represents cultural environment, industry and organizations. Therefore, to further examines this areas, two factors namely quality of Cheif Integrity Officer and ethical climate that might influences the level of ethics and integrity in an organization of the Malaysian public sector. The theoretical framework is illustrated in Figure 3.3.

Independent Variable

Quality of CIO
- Independence
- Competence
- Work Performance

H1

DependentVariable

Level of Ethics and Integrity in
Malaysian Public-Sector Organizations

H2
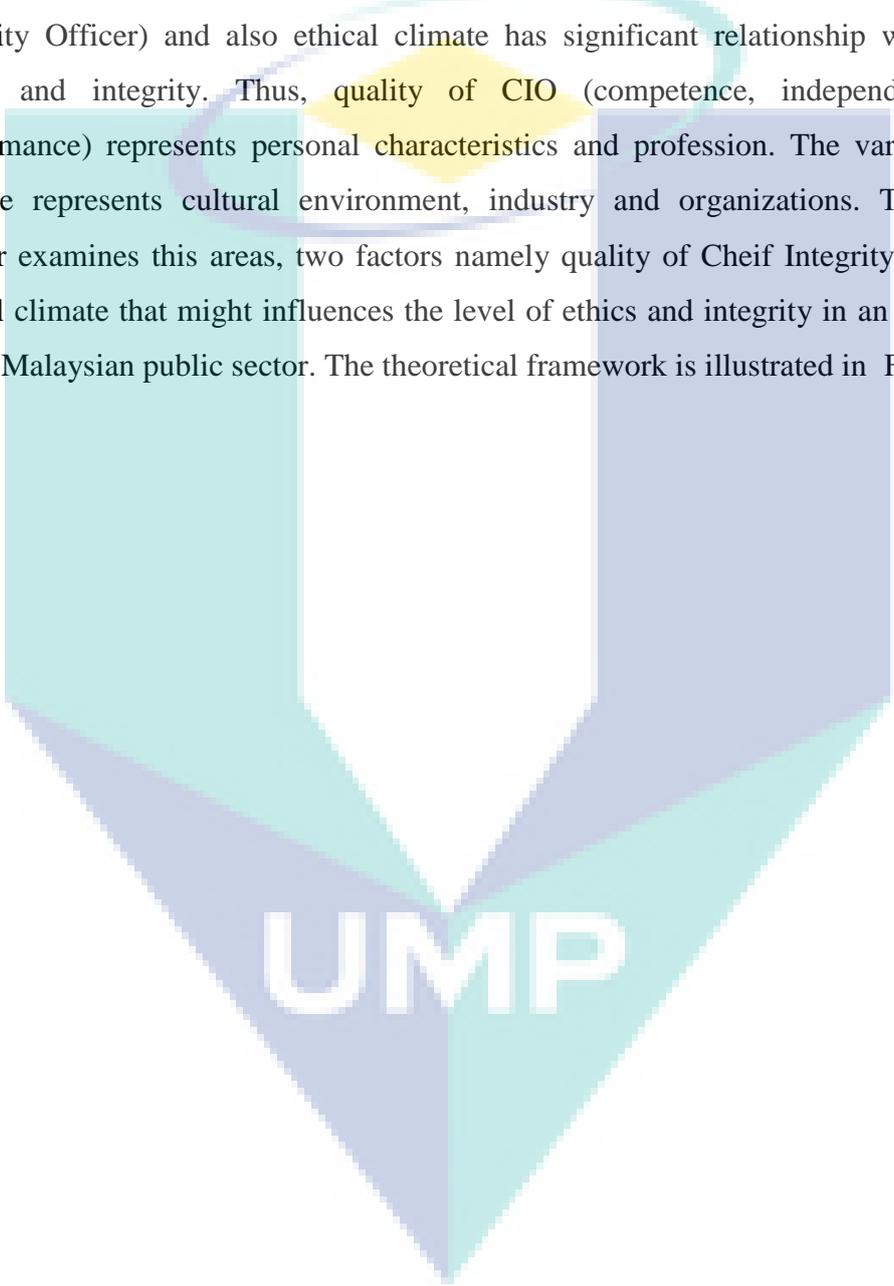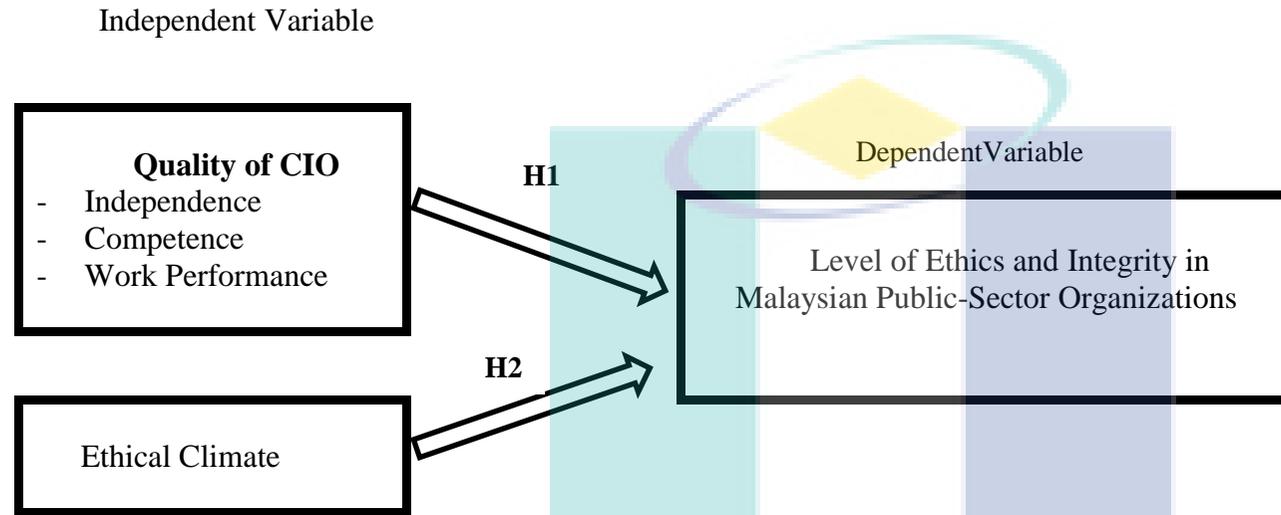
Ethical Climate

Figure 3.3   Theoretical Framework

3.8   Hypothesis Development

The research hypotheses address the direct relationships between quality of Certified Integrity Officer (CeIO) and ethical climate with level of ethics and integrity. The research hypotheses also address the effect level of ethics and integrity will influence the organizational commitment of public sector organizations. To develop the hypotheses, system theory is the basis of the theoretical framework supported by Hunt and Vitell's Theory.

3.8.1   Quality of CIO

To further examine this area, the focus of this research is one of the factors, namely the presence of Quality of Cheif Integrity Officer (CIO) that might influence the level of ethics and integrity in Malaysian public sector. Meanwhile based on Hunt and Vitell's Theory of Ethics (1986), it is more positive rather than a normative approach (Torres, 2001). In other research conducted by Zakaria, Haron, and Ismail (2010), they stated that Hunt and Vitell's (1986; 1993) theory of ethics has personal characteristic that influences perceived ethical problems, which in turn influences the formation of ethical judgement. Therefore, by using this theory is the best solves the problem and to know the level of ethics and integrity in Malaysian public sector organizations to attain the most beneficial outcome.

Previously, Duggar (2009) discusses two level of integrity that are individual and corporate levels. He stated that at the individual level, integrity is more than ethics and it is all about the character of the individual. It is those characteristics of an individual that are consistently considerate, compassionate, transparent, honest and ethical. At the corporate level, integrity refers to the culture, policies, and leadership philosophy. A culture of integrity has to start at the top and to be seen in the conduct and activities of the executives. High integrity organizations are characterized as organizations that are collaborative, constructive, innovative, and transparent with high employee morale, valued customer loyalty and strong partnerships. The integrity hypothesis assumes that individual leaders of integrity can create a consensus around a culture of integrity within a corporation.

As cited in Chandler (2015), the creation of the Ethics and Compliance Officer (ECO) position represents the enactment of values in relation to ethical behavior

(Weaver et al., 1999a). This means that implementation and the response of stakeholders are associated with resource commitments. This is important because in order to remain relevant, institutions must be actively maintained (Dacin, Munir, & Tracey, 2010; Lok & de Rond, 2013; Zilber, 2009). They need to be meaningful for constituents or otherwise they are ignored or replaced (Oliver, 1992).

It is believed that the contacts that employees have with their ECO via the helpline are a direct reflection of the ECO's ability to generate an "ethical culture," which is connected to the ethical behavior of its employees. If true, the extent to which a firm is committed to the ECO position will have direct consequences in terms of the volume and nature of helpline contacts. In particular, the number of serious incidents reported via the ethics helpline is an important indicator both of a firm's ethics culture and employee's attention to the firm's ethics actions (Chandler, 2015). Thus, it is hypothesized that:

H1 :   There is a significant relationship between quality of cheif Integrity officer with the level of ethics and integrity in the Malaysian public sector organizations.

3.8.1.1   Quality of CIO (Independence) to Level of Ethics and Integrity

Chandler (2015) cited that ECO implementation captures both the scale and scope of organizational resource commitments to the ECO position. Access to both tangible and intangible resources is understood by the management researchers to be a source of power and legitimacy within the firm (Cyert & March, 1963). In particular, such access is recognized as evidence of commitment to a position in areas such as ethics (Chandler, 2014b; Lounsbury, 2001). As such, the extent of implementation is operationalized as a relative measure: All else equal, the greater the ECO's access to valuable resources, the more substantive its ethics program implementation (Chandler, 2015). The successfulness of ethics-related program will directly impact the level of ethics and integrity in the organization. Another researcher, Jackling et al. (2007) reported that "failure to maintain objectivity and independence" is considered to be the most likely factors to cause ethical failure in the organization. Thus, it is hypothesized that:

H1a :   There is a significant relationship between independence of the chief integrity officer with the level of ethics and integrity.

3.8.1.2   Quality of CIO (Competence) to Level of Ethics and Integrity

Competence plays significant relationship with ethic and integrity in a few significant ethical judgment models Hunt & Vitel Theory of Ethics, (1993; 1986). According to W. Hunter (2014), the Hunt & Vitel Theory of Ethics stated that competence influences ethicalness in organizations. Thus the more competence an ethical officer has, it will influence a good ethics programme in the organization. An ethics program requires various components including, training a communications strategy and a speak-up procedure. Therefore by embedding ethical principles for business conduct throughout an organization, they actually influence culture, decision making and behavior that can be a challenging and lengthy process requiring sensitivity, patience and resources. An excellent way to implement the various elements of such a program throughout a global organization is by using ethics ambassadors. Ethics ambassadors can provide local knowledge, language and case studies to help make the ethics program relevant to the needs of the local operating environment (Irwin & Bradshaw, 2011). In order to fulfil all these elements, ethics ambassador must be equipped with various skills, knowledge and great experiences such as competency. Consequently, it will affect the level of ethics and integrity in the organization where the ethics ambassador works. Based on the above the literature study it is hypothesized that:

H1b :   There is a significant relationship between competence of the cheif integrity officer with the level of ethics and integrity.

3.8.1.3   Quality of CIO (Work Performance) to the Level of Ethics and Integrity

As cited in Treviño et al. (2014), ECOs' efforts to initiate and manage a variety of programs such as codes of conduct, training, helplines and investigation procedures can be beneficial in terms of improving employees' perceptions and decreasing inappropriate conduct (Ethics Resource Center, 2012; Treviño, Weaver, Gibson, & Toffler, 1999).

It is the ECO's responsibility to create the rules, norms, and organizational culture that defines the parameters of permissible behavior for employees and ensures the firm remains compliant with the law. The ECO does this primarily through the core activities of conducting firm wide risk assessments by writing the firm's ethics code, developing ethics training for employees, managing the firm's ethics helpline and reporting ethics issues to the Board. Advocates of the ECO position believe that a comprehensive ethics program helps create a stable and effective ethical culture that is beneficial for firms (Chandler, 2015). Thus, it is hypothesized that:

H1c :   There is a significant relationship between work performance of the chief integrity officer with the level of ethics and integrity.

3.8.2   Ethical Climate and the Level of Ethics and Integrity

Having determined that the measure of ethical climate captures some aspects of organization's ethical context that can differentiate between organizations and departments, researchers have also explored the relationship between ethical climate and also attitudinal and behavioral outcomes. General work climates have been found to influence a number of organizational outcomes such as performance and satisfaction. Accordingly, Victor and Cullen (1987; 1988) suggested that ethical climates should influence attitudes and behaviors by providing information about the organization and guidance regarding appropriate conduct.

Wumbush et al. (1997) have suggested that there is a relationship between the ethical climate of an organization and the ethical decisions its employees make. An organization that has shaped an ethical climate and culture should be less likely to house unethical behaviours. Implementing ethical climate or ethical culture can help to resolve the issues related to unethical behavioural and practices in the organization.

In addition, Shafer (2015) examines the ethical climate of professional accountants in Hong Kong and finds that ethical climate has a significant relationship with ethical judgements. This result is in line with his previous study which focuses on local and international CPA firms in China (Shafer, 2008). It appears that there is a significant relationship between perceived ethical climate and intention to conduct questionable actions (Haron, Ismail, & Na, 2015). A study done by Haron et al. (2015) found that the level of perceived ethical climate has a positive effect on the ethical

decisions made. This result is also consistent with the findings of Ghazali and Ismail (2013) that accountants who are attached to corporations with higher ethical standard are stricter in making decisions that have questionable ethical conduct. In short, perceived ethical climate significantly affects an accountant's ethical decision making.

As cited in Kolthoff, Erakovich and Lasthuizen (2010), organizational ethical climate is a normative construct of shared behaviors guided by policies, procedures and systems in an organization that affects the organizational member's ethical actions and decisions. These behaviors are observable and influence organizational members in decision-making processes and involvement in misconduct (Vardi, 2001).

Meanwhile, organizational ethical climate is the perceptions of employee on the extent of their organization's commitment pertaining to the establishment and enforcement of rules and procedure confined to ethical climate issues (Victor & Cullen, 1988). Thus, an organization's ethical climate is one of the factors that is predicted to influence one's ability to perceive ethical problem (Hunt & Vitell theory of ethics, 1993; 1986).

The attitudes and behaviors of the management would also have some impacts on the employee's ability to distinguish what is ethically right or wrong. They would evaluate whether the management has a strong commitment to support ethical behaviours through actions and enforcements. Hence, if members perceive that the organization has strict ethical climate, the higher the ability will be to perceive ethical problem. Moreover, prior ethics studies have supported that organizational ethical climate has a positive relationship with perceived ethical climate and it also has a positive relationship with perceived ethical problem (Marta, 1999; Patterson, 1994).

All the above relationships mentioned above can be related with the level of ethics and integrity in the organization. In other words, ethical climate of the organization influences the ethical decision making and eventually gives impact on the level of ethics and integrity. Thus, it is hypothesized that:

H2 :   There is a significant relationship between ethical climate with the level of
            ethics and integrity

3.9   Chapter Summary

This chapter reviews the definition and empirical research conducted in relation with the Level Ethics and Integrity and the factors influencing it such as Quality of CIO (Independence, Competence, and Work Performance), Ethical Climate and outcome of the Organizational Commitment. On top of that, the research develops Theoretical framework and hypotheses based on the literatures and relationship between variables. The next chapter will explain about the methodology used to operationalize the theoretical framework and hypotheses.
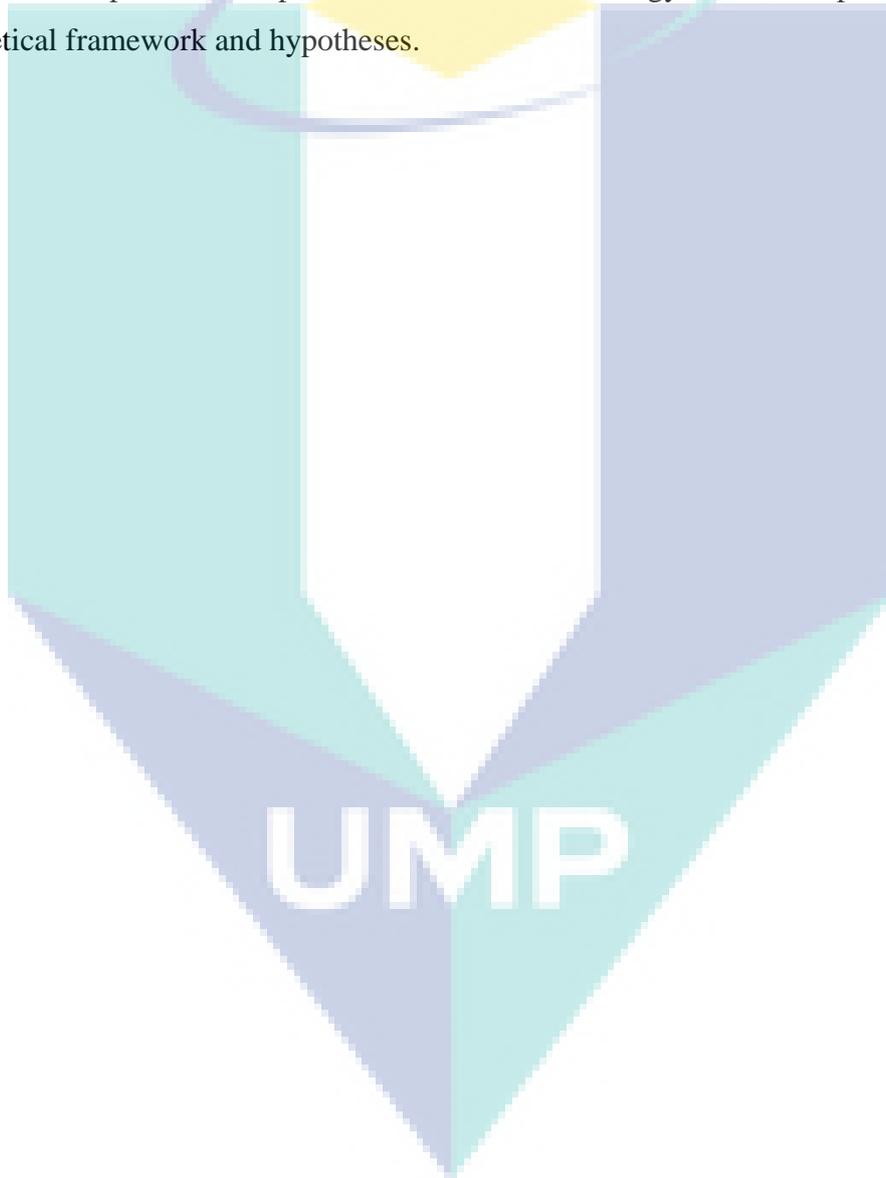
CHAPTER 4

RESEARCH METHODOLOGY

4.1   Introduction

This chapter presents on the method and procedures of the suggested research. It consists of research design, the variable used in the study and the sample chosen. It will also be discussing the data collection procedures, measurements of the variable and statistical analysis tools that will be used in the study.

4.2   Research Design

Selecting the right methodology is important for the research as it will affect the relevant information extract from the data. Quantitative method was chosen for this research in order to classify features, count them and contrast statistics models in attempts to explain what is observed and the data collected are in the form of numbers and statistics (Neil, 2007).

Research design involves a series of rational decision and making choices which includes various issue such as the purpose of the study. They are exploratory, descriptive, hypothesis testing or case study. The extent of researcher interferences in the study includes the study's setting and the time horizon for unit of the analysis (Cavana et al., 2001). Sekaran (2003) postulated that studies engage in hypothesis testing usually explain the nature of certain relationship or establish the differences among groups or the independence of two or more factors in a situation.

The research design uses a primary data where by the respondents are asked using structured questionnaires. This study's questionnaires were organized based on three areas. Firstly, it relates to the wording of the questions. The second is it refers to planning of issues of how the variables will be categorized, scaled and coded after

receipt of the response. The third pertains to the general appearances of the questionnaires. According to Sekaran (2003), all these areas are important issues in questionnaire design because they can minimize biases in research.

For this study, the questionnaire consisted of three (3) sections. Section A collects data on the demographics profile of the respondents and their firms or organizations. These sections also included the independent variable namely Independence and Competence. Sections B measures Work Performance and Ethical Climate. At the end of section C , there is a measurement on the outcome of level of ethics and integrity in the public sector's organization. Please refer to Appendix A for the sample questionnaire.

A self-administered questionnaire was developed using structured questions. The target population of this study are Chief Integrity Officer (CIO) who are working in Malaysian public sector organizations.

4.2.1 Unit of Analysis

The main objective of this research is to study the outcomes of level ethics and integrity in Malaysian public sector organizations with relation to the quality of Chief Integrity Officer (CIO). Thus, the unit of analysis of this study is organisational level and is represented by officers in charge of ethics at the Federal Government which includes CIO. CIO or ethics officers are deemed to be appropriate as the unit of analysis because they are responsible to ascertain the level of ethics and integrity in an organisation and would be able to evaluate the variables of the study such as ethical climate, level of ethics and integrity.

4.2.2 Population and Sampling

The population for this research is 128 CIOs and officers in charge of ethics in their organisation. It is confined to the Federal Government as it has moderate to high level of risk as compared to the State Government which has a low risk. The names of the CIOs have been provided to the researcher by the Corporate Integrity Development Centre (CIDC) and all 128 have completed or are taking the training modules offered by CIDC of MACC as of 14 August 2017. The 128 respondents included CIOs,

compliance officer, assistance director, investigation officer, secretariat department, director of integrity unit, senior compliance, governance and integrity centre.

Table 4.1 shows the breakdown of ethical officers who have attended the training programme as of 14th August 2017 at both the Federal and State level in the public sector.

Table 4.1   Officers who have attended the training program held by CIDC, MACA as of 14th August 2017

Level of Public Sector Organization	No of Ethics Officers
Federal	128
States	652

According to Sekaran (2000) and Haron et al. (2011), sample sizes could be calculated by rule of 10 times or more the number of variables which were independent, dependent, mediating, moderating and control variables. Alternatively, samples of 200 and above but not exceeding 500 are also acceptable (Hair, Anderson, Tatham & Black, 1998) as cited in Haron et al. (2011). The sample size of the study can be 70 which were 10 times number of the variables or 200. With 4 variables and using Sekaran's rule of thumb to calculate sample size, sample size of 40 to 50 would be enough for this study. This study used sampling that was choosen from the 128 CIOs whom attended the CeIO programme at federal territory.

4.2.3   Data Source

Generally, there were two main sources of data collection method which were primary and secondary. Primary data is known as original data, which includes survey data (usually by means of questionnaire) while secondary data refers to existing data in other different forms such as annual reports and national statistics. This study utilizes the primary data collection using questionnaire. The details of data collection method are as discussed in the following subsections.

4.2.4   Data Collection Method

This study is a cross-sectional study, utilizing the primary source of data collection by using structured questionnaire survey. Survey is the common method used in numerous business and management researches. The method is highly economical

because it enables a large collection of data from a big population, which makes comparisons easier based on a standardized and understandable questionnaire (Sekaran, 2003). An accurate assessment of information can be achieved using survey questionnaires thus, enabling a generalization of findings to a population from a sample of responses (Creswell, 1994; Saunders et al., 2012).

Questionnaires are developed based on the literature studies. The questionnaire design is presented in section 4.3. Since the questionnaire survey usually has some limitations such as low rate of response and restricted communication with respondents (Sekaran, 2003), the questionnaire contents and its layout and length of questionnaire were designed in a clear, brief and concise manner. To increase the rate of response, the questionnaires will be distributed directly to the target population.

4.2.5 Pre-test

Before conducting and distributing the questionnaire, researcher will first conduct a pre-test, A pre-test is required to ensure that the questionnaire will be able to answer the research objective through the data collected (Aaker et al, 2011). A pre-test is conducted to assess the respondents understanding on the questionnaire, which aims to refine the choice of words or phrases to minimize misunderstanding (Malhotra, 2010).

For validity of the questionnaire, assistance from expert opinion includes seeking the expert opinion from the Officer at the Malaysian Institute of Integrity (MII), Head of Corporate Integrity Development Centre, Malaysia Anti-Corruption Academy (MACA) and also Integrity Officer of Yayasan Pahang. Pre test was conducted on the 28th December 2016. They will ascertain whether the questions are fairly asked, whether the questions are clear and the variable were measured correctly. Comments included, clarity of questions and they also suggested that the questionnaire should comprise of both Bahasa Malaysia and English Language. Comments were taken and the questionnaire was improved based on the comments given by the experts.

4.2.6 Final Data Collection

The final data collection process involved distribution of questionnaires to target respondents. An e-mail inviting respondents to participate in this research, together with the e-survey link goggle: (https://goo.gl/VdEXTM) was sent to all 128 integrity units by August 2017 until end of October 2017.

4.3 Measurement of Variables

The exogenous or independent variables in this study are the quality of chief integrity officer (independence, competence and work performance) and ethical climate. The endogenous or dependent variable was the level of ethics and integrity in public sector organizations. In addition, this study also attempted to study the outcome of level of ethics and integrity on the organizational commitment.

For this study, questionnaire was used to gather all the data measurement. There were five sections altogether. Section A covered the demographic profiles which also included the measurement for quality of CIO in terms of independence and competence. Sections B measured another Quality of CIO dimension which was work performance as well as the other factors that were ethical climate. The summary of measurement is shown in Table 4.2.

Table 4.2   Measurement of Variables

Sect.	Variable	Measurement	Source
	Independent Variables		
A	Demographic Profile	Type of organization, number of staffs, establishment date, previous history with any unethical conduct.	Self-developed
	Quality of CIO: Independence	Sum of Q10, Q11 & Q12 and divided by 11 (which is the maximum sum of scores for Q10 & Q11 & Q12 in Section A.	Adapted from Qun (2013)
	Quality of CIO: Competence	Sum of mean educational qualification level (Q7) and average years of experience (Q9).	Adapted from Qun (2013)
B	Quality of CIO: Work Performance	Five-point rating scale of agreement level with the statements given.	Self-developed based on role of CIO/CeIO stated in Circular

4.3.1   Independent Variable: Quality of Chief Integrity Officer

4.3.1.1   Independence

Ideally the CIO should report functionally to the General Secretary of Ministry or Head of Department and the Agency Integrity Management Division. Therefore, independence of Chief Integrity Officer is measured with two questions. The questions were, for the first question was about functional reporting level (Q10) and the second question was about administrative reporting (daily reporting) level (Q11). For both questions, a numerical score of five was assigned if the CIO reports functionally to Agency Integrity Management Division MACC, a score of four for Ministry or State Secretary, and a score of three for Chief Executive Officer. Score of 'two' is given if CIO reports to Head of Department while a score of 'one' if CIO reports functionally and administratively to other bodies in the organization.

This study has included existence of independence officer in-charged to manage the ethics and integrity program as one of the criteria in determining the CIO's independence. If the organisation has this respective officer, score of one will be awarded and vice versa therefore the total score for Q10 is 1. The score for ICIO is the proportion of CIO independence, which was derived at by adding the scores of the functional reporting level (Q8), administrative reporting level (Q9) and existence of independence officer (Q10) divided by the sum of Q8, Q9 and Q10 which was 11. This was the sum of scores.

4.3.1.2   Competence

In this study, CIO competence was measured based on the sum of mean educational qualification level of which was calculated based on Question 7 and the CIOs average years of experience was calculated based on Question 9. The score of four will be awarded for "PhD", three for "master", two for "degree" and one for "diploma". The mean of educational qualification was the sum of the score divided by the maximum score given by the number of staff. For years of experience on average, the more experienced staff usually have accumulated more knowledge and skills therefore the score of six will be awarded for "more than 15 years", five for "12 to less than 15 years", four for "9 to less than 12 years", three for "6 to less than 9 years", two for "3 to

less than 6 years" and one for "Less than 3 years". The mean of experience was derived by dividing the sum of score by the maximum score (Qun, 2013).

4.3.1.3 Work Performance

Having established the responsibilities of chief integrity officer, the next step is to manage the chief integrity officer's engagement to ensure accomplishment of objectives effectively. Proper engagement planning, performing the engagement with care and communicating results effectively are important criterias of quality work. Each CIO must be carefully planned as this is the only way to control it. Engagement planning is important because it determines the resources and effort needed to fulfil a defined objective efficiently. Through performing the engagement, it describes that CIO should identify, analyse, evaluate, and record sufficient information to achieve the engagement's objectives. CIO should identify sufficient, reliable, relevant, and useful information to use in analyzing and evaluating the engagement before drawing conclusion and engagement in making a decision (Qun, 2013; IIAM 2008).

Thus, measurement work performance of CIO was self-developed based on the roles of the Certified Integrity Officer in Circular No. 1 2009 and Series 1, No. 1 2011 as shown in Table 4.3. There are 10 roles of CIO which are 1) Coordinate and monitor integrity program; 2) Report any breach integrity; 3) Coordinate the actions taken on breach of integrity; 4) Implement the recovery program on integrity; 5) Publication of integrity related article; 6) Assist and support of Committee on Integrity; 7) Advice management on integrity matters; 8) Monitor the system services delivery system; 9) Act as a liaison Officer organization to corporate and 10) Ensuring compliance to directive /regulations issued by the organization. The respondent was required to rate the level of agreement from scale 1 (strongly disagree) to scale 5 (strongly agree) which shows the measurement items for work performance of CIO.

Table 4.3   Measurement Items for Work Performance of CIO

Dimension	Items	Items Statements
1.Coordinate and monitor integrity program	Q1	I am responsible to coordinate an integrity programme.
	Q2	I am responsible to monitor an integrity programme
2. Report any breach integrity	Q3	I have to report any breach of integrity
3. Coordinate the actions taken on breach of integrity	Q4	I will coordinate the actions taken on breach of integrity
4. Implement the recovery program on integrity.	Q5	I have implemented the recovery program on integrity.
5. Publication of integrity related article	Q6	I have published integrity related article
6. Assist and support of Committee on Integrity	Q7	I assist the Committee on Integrity Government Secretariat.
	Q8	I support the Committee on Integrity Government Secretariat
7. Advice management on integrity matters	Q9	I advise management on integrity matters.
8. Monitor the system services delivery system	Q10	I monitor the services delivery system of the organization.
9. Act as a liaison Officer organization to corporate.	Q11	I act as a liaison Officer between organization and Corporate Integrity Development Center, Malaysian Anti-Corruption Commission (CIDC, MACC).
10. Ensuring compliance to directive /regulations issued by organization.	Q12	I ensuring compliance to directive / regulations issued by organization

4.3.2 Independent Variable: Ethical Climate

Respondent's perceptions of the ethical climate in their organization is measured based upon the Ethical Climate Questionnaire developed by Victor and Cullen (1987; 1988) and further validated by Cullen and Bronson (1993). There are nine dimensions to measure the ethical climate which are employee-focused climate, community-focused climate, obedience to authority, code implementation, self-interest climate, efficiency climate, rules and procedures climate, personal ethics climate and also law and professional climates. Respondents are required to indicate the degree of agreement using a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). Table 4.4 shows the items used to measure the ethical climate. However in this study, ethical climate is treated as uni-dimensional regardless of the dimensions.

Table 4.4   Measurement Items for Ethical Climate

Dimension	Items	Items Statements
Employee-Focused Climate	Q13	The most important concern is the good of all people in this organization.
	Q14	Our major consideration is what is best for everyone in this organization.
	Q15	It is expected that each individual is cared for when making decision here.
Community-Focused Climate	Q16	The effect of decisions on the public is a primary concern in this organization.
	Q17	People in this organization are actively concerned about the public's interest.
	Q18	It is expected that employees will do what is right for the customer and public
	Q19	People in this organization have a strong sense of responsibility to the outside community
Obedience to Authority	Q20	This organization demands obedience to authority figures, without questions.
	Q21	People in this organization are expected to do as they are told.
	Q22	The top management is always right in this organization.
Code Implementation	Q23	Employees are required to acknowledge the ethics code.
	Q24	The organization has established procedures for employees to ask questions about ethics code requirements.
	Q25	The code of conduct is widely distributed throughout the organization.
	Q26	Employees are regularly required to assert that their actions are in compliance with the code of ethics.
Self-interest Climate	Q27	People in this organization are very concerned about what is best for themselves.
	Q28	In this organization, people protect their own interests above other considerations.
Efficiency Climate	Q29	In this organization, each person is expected to above all work efficiently.
	Q30	The major responsibility of people in this organization is to consider efficiency first.
	Q31	Efficient solutions to problems are always sought here.
	Q32	The most efficient way is always the right way in this organization.
Rules and Procedures Climate	Q33	It is important to follow strictly the organization's rules and procedures.
	Q34	Everyone is expected to stick by organization's rules and procedures.
Personal Ethics Climate	Q35	In this organization, people are guided by their own personal ethics.
	Q36	Each person in this organization decides for themselves what is right and wrong.

	Q37	The most important concern in this organization is each person's own sense of right and wrong.
Law and Professional Climates	Q38	In this organization, people are expected to comply with the law and professional standards over and above other considerations.
	Q39	In this organization, people are expected to strictly follow legal or professional standards.

4.3.3 Dependent Variable: Level of Ethics and Integrity

This variable is measured by 12 dimensions of CISM as shown in Table 4.5 developed by Institute of Integrity Malaysia with total of 208 items statements. It is adapted from Dubinsky and Richter (2008-2009), Global Ethics and Integrity Benchmarks. These benchmarks reflect emerging successful organizational practices. The respondents are required to rate the statements on a five-Likert scale with "0" representing not sure; "1" representing strongly disagree; "2" representing disagree; "3" representing agree and "4" representing strongly agree. Mean and frequency will be used in explaining the data during the analysis
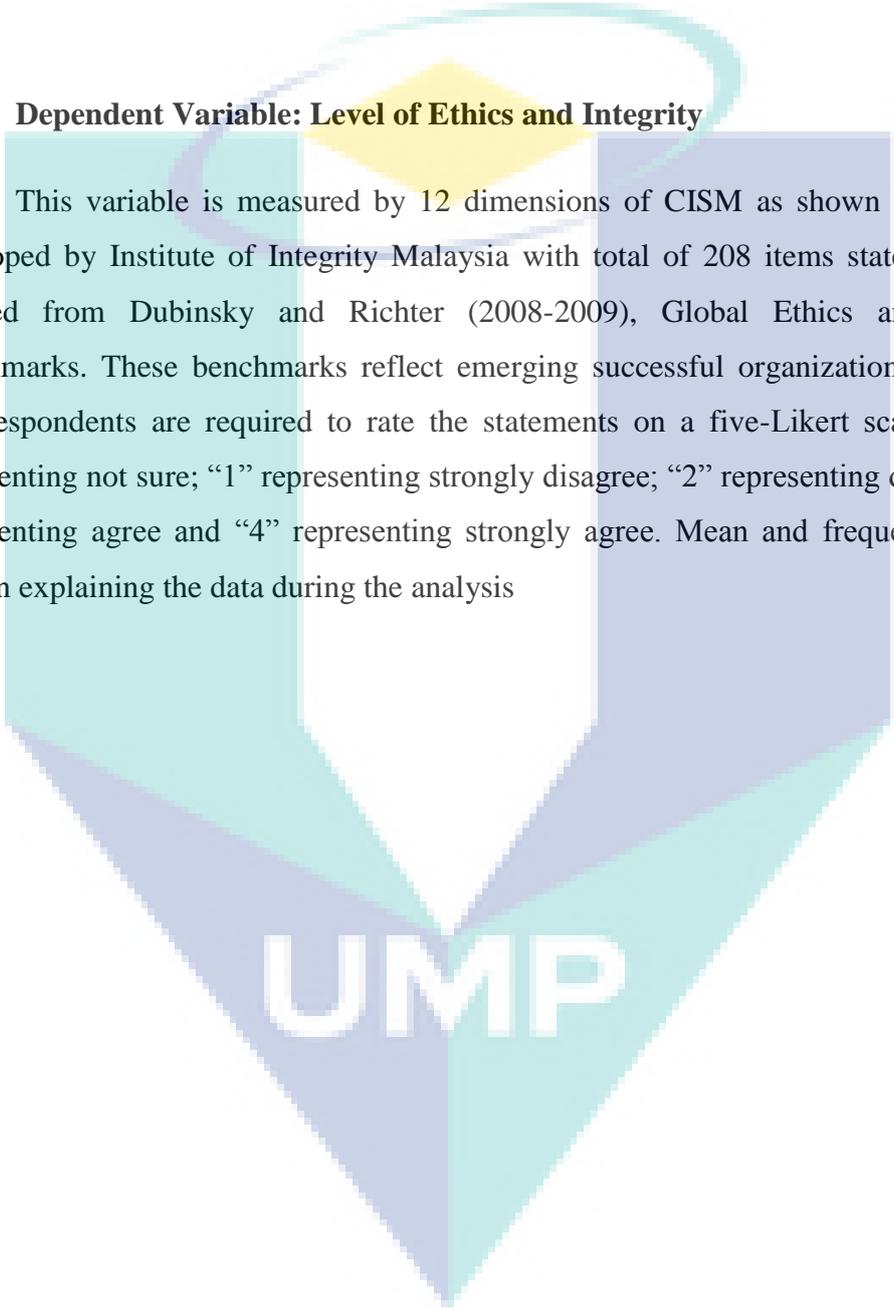
Table 4.5   Descriptive of CISM 12 Categories Items for Level of Ethics and Integrity

Dimension	Items	Description
Vision and Goals	Q1-Q19	This section covers the organization's overall concept and approach to ethics and integrity. This includes its formal articulation of the organization's underlying philosophy about ethical and moral conduct and how these expectations are embedded in the fabric of the organization. This benchmark includes how organizations identify and define their core ethical values or principles as well as how organizations integrate those values into everyday business conduct.
Leadership	Q1-Q21	This section covers the responsibilities of the organization's leadership in shaping, guiding and supporting the organization's ethics and integrity initiatives. It examines how leaders and managers are held accountable for promoting ethics and integrity. This category includes an assessment of the organization's "Tone from the Top" at both the senior executive and governance levels.
Infrastructure	Q1-Q17	This section explores the way the organization structures or organizes its ethics and integrity function so that it can be carried out its goals effectively. This category covers how the ethics function is structured, staffed and resourced, as well as its formal and informal reporting relationships. This category also includes the roles and responsibilities of those individuals who are assigned to implement the ethics and integrity function.
Legal Compliance, Policies and Rules	Q1-Q17	This section includes core laws, policies, rules and guidance that comprise the legal framework for the organization's ethics and integrity systems. This section assesses the internal framework that provides the floor for ethical behaviour. It also includes compliance with the external legal frameworks within which the organization operates. This section includes the systems and controls used to ensure and demonstrate that employees and the organization are legally compliant. Essentially, the organization has translated its legal commitments into concrete actionable guidance that is enforceable.
Organizational Culture	Q1-Q20	This section deals with the overall organization culture and how it promotes ethical conduct in the context of the organizational mission, vision, structure and strategy. This section explores the degree to which an organization focuses on shaping its organizational culture (both written and unwritten rules that dictate how work is performed and goals reached) and whether that culture actively promotes ethical conduct. This section addresses how culture is defined (the history and traditions of the organization), who "owns" and shapes culture, how culture is measured and the degree to which employees find the culture supportive of ethics and integrity.
Disciplinary and Reward Measures	Q1-Q17	This section attempts to examine how the organization sets and enforces its standards for ethical conduct and behaving with integrity. This section also addresses rewards and punishments, incentives that promote ethical behaviour and disciplinary action taken to limit or punish unethical work conduct. This section includes how the organization promotes ethical conduct through its performance appraisal process and whether ethical conduct is linked to compensation and/or other types of non-monetary benefits.

Measurement, Research and Assessment	Q1-Q17	This section evaluates how ethics and integrity are measured, whether your organization undertakes research to support ethics strategies that create a culture of ethics and integrity and the organization's assessment processes around ethics, integrity and organizational culture. This category includes the organization's commitment to continuous improvement, based on benchmarking and other evaluation methodologies.
Confidential Advice and Support	Q1-Q16	This section covers describes how the organization provides confidential, neutral, professional and independent ethics advice to employees, supervisors, managers, executives, members of the governing bodies and other stakeholders.
Ethics, Training and Education	Q1-Q18	This section explores ethics and integrity awareness, skill-building training and education and the integration of such training into the overall development of all employees. This category includes the provision of ethics-related training and skill building throughout the life cycle of staff members and the degree to which these initiatives are integrated into other organization-wide training commitments.
Ethics Communication	Q1-Q18	This section describes how the ethics and integrity initiative is articulated and promoted, both internally and externally. This category covers how the organization defines its stakeholders and how it gears its key messages to distinct audiences.
Whistleblowing	Q1-Q18	This section explores how organization encourages individuals (both internal and external to the entity) to speak up and make reports of questionable conduct. This category explores the methods and protections offered to individuals who wish to make the organization aware of possible unethical behaviour, misconduct or any illegal actions. It includes the making of both confidential and anonymous reports and the systems used by the organization to protect whistle-blowers from retaliation or retribution.
Accountability	Q1-Q10	Respondents are required to indicate the level of agreement to each statement.

Global Ethics and Integrity Benchmarks is a tool for helping organizations to assess and measure their progress in making a formal and transparent commitment to ethics and integrity in the workplaces. These benchmarks reflect emerging successful organizational practices. It will change over time, evolving all workplace's practices growth and improvement. Organizations that do benchmark may look upon these benchmarks as descriptive of current best practices. There are five levels of benchmarks as shown Table 4.6. The progress of each corporate ethics and integrity system category is measured by different benchmark point.

Table 4.6   Benchmark Levels for Each Category of Corporate Integrity System

Benchmark Levels	Indications
0% – 24%	No ethics and integrity work has begun.
25% – 49%	Compliance mindsets, symbolic actions only.
50% - 74%	Beginning of a programmatic thrust, moving in a healthy direction.
75% - 99%	Seeing ethics and integrity systematically which is a robust ethics and integrity approach.
100%	Current best practices in ethics and integrity around the world.

Sources: Dubinsky and Ritcher (2008) in Global Ethics and Integrity Benchmark

Table 4.7 shows the number of items or description of items relating to the benchmark and dimensions. The number of items for the dimensions starts from 16 to 21. As for the items for each of the benchmark, at 0% benchmark level, the items vary from 1 to 3 (negative questions but change answer from respondent to positive answer), items vary from 2 to 4, at benchmark level 50%, items vary from 3 to 5 items, at benchmark level 75%, items vary from 3 to 6 and lastly at 100%, items 4 to 6. Details of the items statement were as shown in Table 4.8.

Table 4.7   Items Relating to Dimensions and Benchmarks for Level of Ethics and Integrity

Benchmark (Level)	1. V&G	2. LSHIP	3. INFRAS	4. LCPR	5. OC	6. DARM	7. MRAA	8. CAAS	9. ETAE	10. WB	11. ACCT	Total All
0% – 24%	2	3	1	1	3	3	1	1	1	2	1	20
25% – 49%	4	4	2	3	4	2	3	4	2	3	2	36
50% - 74%	4	4	5	4	4	4	4	4	5	5	2	48
75% - 99%	4	5	4	5	4	4	4	3	6	4	2	50
100%	5	5	5	4	5	4	5	4	4	4	3	54
Total Q	19	21	17	17	20	17	17	16	18	18	10	208

Table 4.8   Level and Integrity Measurement

Dimension	Benchmark	Descriptor (QI -Q19)
1. VISION AND GOAL	*0% - 24% (- ve worded)	1.There is no explicit integrity vision, goals, policies, statement or program. 2. Ethics and integrity is neither recognized nor discussed seriously.
	25% - 49%	3."Integrity" is limited to legal compliance or the organization's formal internal rules structure. 4. A legalistic code of conduct or compliance-related policy exists. 5. Integrity is tolerated only because it would be politically incorrect if failed to mention it. 6. Little is done intentionally to embed integrity in the organization
	50% - 74%	7. Integrity is seen as a requirement for organizational and individual performance. 8. The organization has defined core values and communicates them on a regular basis. 9. Executives in this organization understand and reinforce the connection between values, performance, and success. 10. The organization and its leaders to recognize that legal conduct and ethical behaviour are not necessarily identical.
	75% - 99%	11. The organization and its employees have specified their respective expectations in terms of integrity and ethical conduct. 12. The organization is clearly shown that principles and upholding core ethical values come before closing a deal or profitability. 13. All employees have standards of performance based upon the organization's core ethical values and their work is measured using these standards. 14. Ethical action and leadership are perceived as critical for the organization's continuing success.
	100%	15. All employees in the organization behave in a way that shows their commitment to achieve the organization's vision and ethical action. 16. Each of the organization's integrity targets is reasonable, clear, measurable and achievable. 17. Integrity is not seen as an isolated program, but rather as key to growth and success. 18. A majority of all employees rates the workplace as respectful of individuals, fair, open and flexible. 19. The organization is frequently benchmarked for its ethics and integrity.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q18)
2. LEADERSHIP	*0% - 24% (-ve worded)	1. There is little or no active leadership, involvement, or accountability regarding ethics and integrity 2. The leaders assume that their private moral codes are adequate to lead the organization. 3. The leaders talk down to employees, treating them like children.
	25% - 49%	4. The leaders view ethics and integrity as mainly an HR or legal function. 5. The leaders accept some responsibility for integrity, especially as it relates to standard Employee Relations and Human Resources practices. 6. The leaders need scripts to discuss ethics and integrity 7. Reactive measures are taken to deal with difficult ethical situations without consideration of establishing internal precedents.
	50% - 74%	8. The leaders view promoting ethical conduct as part of their responsibilities and are held accountable for their own ethical behaviour. 9. Some of the leaders in the organization are active champions of ethical action and the integrity function. 10. The leaders understand that there is a direct connection between "tone from the top" and whether the organization enjoys a positive reputation for integrity.
	75% - 99%	11. The leaders consistently act in ways that are consistent with the organization's values.. 12. The leaders often make internal and external scripted and impromptu speeches or statements related to ethics and integrity to a variety of groups. 13. The board of director's shares responsibility for integrating ethical conduct into the organisation's culture. 14. Most of the leaders receive training and coaching in integrity and provide coaching about integrity to others. 15. Ethical awareness, analysis, and action are routinely incorporated into selection, performance evaluation, and promotion decisions.
	100%	16. Management pay, bonuses and promotions of the leaders are tied to a variety of integrity indicators. 17. Managing integrity is considered an essential leadership competency. 18. The leaders are seen as role models for ethical behaviours.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q17)
3. INFRASTRUCTURE	*0% - 24% (-ve worded)	1. There is no organizational infrastructure or individual responsible for integrity.
	25% - 49%	2. The integrity functions are performed as additional, secondary duties of mid-level staff. 3. The organizational integrity is not recognized as a unique discipline requiring specialized skills, knowledge, and experience.
	50% - 74%	4. The integrity officer reports to the senior management, or to another member of the executive team. 5. There is an integrity officer who is supported by a dedicated integrity function. 6. A designated budget has been allocated to cover implementation of the integrity agenda. 7. The integrity function is subject to regular audit oversight. 8. The integrity infrastructure encompasses all locations.
	75% - 99%	9. A senior executive leads the integrity function, supported by a staff knowledgeable in integrity. 10. Adequate financial and other tangible resources are allocated annually to the integrity function. 11. The integrity officer reports regularly to senior management on activities and results of the function. 12. Annual reports about integrity activities and results are made to the board of directors by the chief executive.
	100%	13. The integrity officer is a recognized and respected member of the senior management team. 14. The integrity officer serves as an independent and confidential integrity advisor to senior management and board directors. 15. The integrity officer has a dual reporting relationship to senior management and the board of directors. 16. The integrity officer's remarks are not subject to pre-clearance by any member of senior management. 17. The ethics and integrity initiative is fully integrated into all organizational operations.

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Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q17)
4. LEGAL COMPLIANCE, POLICIE AND RULES	*0% - 24% (-ve worded)	1. The organisation has not adopted any compliance policies or rules.
	25% - 49%	2. The organisation has written policies and rules about ethics, integrity, and compliance. 3. The organization has adopted a code of conduct (or code of ethics) which outlines basic guidance about legal compliance for employees. 4. The policies and rules of the organisation's code of conduct is available only in Bahasa Melayu or English.
	50% - 74%	5. The policies and rules that describe what employees should or should not do on behalf of the organisation are written in plain, easily understood style in Bahasa Melayu or English. 6. The policies, rules, code of ethics or code of business conduct, are available in written, electronic format and are freely available for all employees 7. The organisation updates regularly the policies and rules and revises upon adoption. 8. The code of conduct is based on the organisation's core ethical values and describes the type of business conduct expected from colleagues in all interactions.
	75% - 99%	9. The organisation is knowledgeable and in compliance with the laws of all jurisdictions where it operates. 10. The organisation's code of conduct specifies the mutual rights, duties, and obligations of both the organization and its employees. 11. The code covers all types of employees. 12. The organization's code of conduct is global but addresses legal variations across countries. 13. The organisation's code conduct provides concrete guidance and examples of real situations.
	100%	14. The organisation has clearly described the ethical standards and principles expected of third parties. 15. The leaders in the organization uphold the code of conduct in everyday communication and decision-making. 16. The organisation demonstrates transparency and accountability by requiring key employees to make regular disclosures concerning personal finances and conflicts of interest. 17.The organisation's code of ethics and supporting rules and policies are seen as best practice documents in the industry.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q20)
5.ORGANIZATIONAL CULTURE	*0% - 24% (-ve worded)	1. The organisation does not utter, assess or even describe the organisation's culture in relationship to ethics and integrity. 2. The organisation has a mistrusting culture and falls short on ethics and integrity. 3. Violations of rules and standards are justified by referring to national culture or practice.
	25% - 49%	4. Employees tend to keep low profiles in the organisation. 5. It is not considered safe to speak out about wrongdoings at the organisation. 6. With regard to integrity, the culture remains one of compliance and obedience to rules or laws, not values or principles. 7. Employees perceive a significant gap between the organisation's ethical communications and its actions.
	50% - 74%	8. The culture of the organisation is regarded as relatively open. 9. The organisation has committed itself towards ethics and integrity, even if there are some shortcomings. 10. The history and traditions of the organisation are well known. 11. Leaders voice out and describe the organisation's culture in terms of its values, mission, and integrity commitments to stakeholders.
	75% - 99%	12. There are positive role models among the leaders in the organization. 13. Employees generally feel good about the organisation and its mission, commitment to social responsibility and can identify specific examples of positive ethical conduct. 14. Employees feel safe to speak out such as to blow the whistle, if they encounter fraud or other wrongdoing in the organisation. 15. The organisation is transparent about its commitments towards ethics and integrity, and willingly to share both successes and failures with internal and external audiences.
	100%	16. Most employees are very proud to work in the organization and would describe it as a great place to work. 17. The employees easily identify integrity role models in the current leadership ranks as well as in the organization's past leaders. 18. The organisation takes the long-term view, never sacrificing principles for short-term gain. 19. The organisation describes its commitment towards ethical conduct and accountability, in its annual report or through other publicly available communication channels. 20. Ethics and integrity are never compromised in the organisation.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q17)
6. DISCIPLINARY AND REWARD MEASURES	*0% - 24% (-ve worded)	1. The organisation has no policy addressing breaches of ethics or integrity. 2. The organisation has no explicit disciplinary action for wrongdoing or misconduct. 3. The organisation has no explicit system to reward ethical action.
	25% - 49%	4. Consequences from unethical behaviour in the organisation are only addressed if it adversely impacts the business results. 5. Unfair treatment especially by management in the organisation is not directly addressed.
	50% - 74%	6. The organisation has explicit policies for breaches of integrity. 7. The organisation has in place formal investigative procedures that result in prompt, thorough, fair, and effective fact-finding. 8. The organisation usually imposes disciplinary measures when appropriate. 9. A formal performance appraisal system does not include ethics and integrity measures
	75% - 99%	10. The organisation supports appropriate discipline by recognising and rewarding ethical behaviour. 11. Leaders in the organisation are experienced in taking disciplinary measures and rewards good conduct. 12. The performance of management system consists of employee behaviour that fails or meets the expectations of the organisation's value and ethical principles. 13. The organisation takes disciplinary action against high-performing, senior leaders who have acted unethically.
	100%	14. The organisation is regarded as being fair in the internal administration of justice such as dispute resolution system. 15. The organisation's policies and guidelines are for discipline and reward. This is regarded as "best practice". 16. Ethical conduct is seen as critical elements for promotion and advancement at all levels in the organisation. 17. Leaders understand what motivates employees to act ethically and have the training to motivate ethical behaviour.

Table 4.8   Cont

Dimension	Benchmark	Descriptor (QI -Q17)
7. MEASUREMENT, RESEARCH AND ASSESSMENT	*0% - 24% (-ve worded)	1. There are no systems or practices to gather information about employee or stakeholder's perceptions of the organisation's reputation.
	25% - 49%	2. Some feedback on ethics and integrity are solicited in general employee and customer surveys, market research, internal reviews and climate studies. 3. External best practices are studied 4. The ethics professionals in the organisation such as, integrity officers are expected to stay current with industry-wide developments in the field.
	50% - 74%	5. Specific instruments and techniques are used to assess progress and impact of specific ethical concerns. 6. The organisation disseminates its evaluation results on an annual basis. 7. Input from internal and external stakeholder's shapes initiatives, monitoring and also evaluation of ethics and integrity. 8. Internal and external best practices are studied and benchmarking with similar organizations is undertaken.
	75% - 99%	9. The organisation participates in third-party evaluations, surveys and studies, focused on integrity awareness, ethical action and ethical leadership. 10. The organisation monitors how employees view the internal environment for ethical action. 11. The organisation regularly reviews ethics benchmarks, both within its industry/sector and across industries/sectors. 12. The organisation is fully aware of the cost of non-compliance.
	100%	13. Ethics and integrity are regularly incorporated into organisational culture surveys and assessments. 14. The organisation is fully transparent with its external stakeholders on the activities, results and outcomes of its ethics measurement and research. 15. The organisation publishes annual reports on ethics and integrity. 16. Assessments that focus on ethical conduct, legal compliance, leadership commitment to ethical action and reputational risk exposure are performed regularly. 17. Assessments that focus on ethical conduct, legal compliance, leadership commitment to ethical action and reputational risk exposure are performed regularly.

Table 4.8   Cont

Dimension	Benchmark	Descriptor (QI -Q16)
8. CONFIDENTIAL ADVICES AND SUPPORT	*0% - 24% (-ve worded)	1. There is no special resource available for those who seek ethics advice confidentially.
	25% - 49%	2. The organisation draws minimal distinctions between seeking ethical advice versus seeking legal advice. 3. The organisation's chief legal officer is viewed as the ultimate source for best ethical advice. 4. Employees are encouraged to speak directly to their leaders if they have questions about ethics, integrity or compliance 5. The organisation does not guarantee that ethics advice is confidential.
	50% - 74%	6. The organisation has a private office to provide ethics advice and counselling. 7. This private office is outside of the operational chain of command. 8. All calls and inquiries seeking ethics and integrity advice are handled in confidence. 9. Integrity officer is encouraged to cross check his/her advice with the legal officer.
	75% - 99%	10. All employees are aware of the integrity functions in the organisation and its availability to provide confidential advice when needed. 11. Employees who seek confidential ethics advice and fully discloseof all facts and circumstances can rely upon the advice they are provided. 12. The organisation's policies prohibit retaliation or retribution and protect employees who seek for confidential ethics advice.
	100%	13. All levels of employees are comfortable seeking for ethics advice independently, confidentially and neutrally. 14. Leaders actively encourage staffs to obtain ethics advice whenever he/she perceives or believes that an ethical issue has arisen. 15. The confidentiality of the ethics advisory process is respected at all levels of the organisation. 16. The integrity officer is authorised to issue "safe harbour" letters so that employees, who are seeking for advice are reassured that they cannot be disciplined because they relied upon that advice.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q18)
9. ETHICS, TRAINING AND EDUCATION	*0% - 24% (-ve worded)	1. There is no formal integrity education provided to employees or other stakeholders.
	25% - 49%	2. Training programs on integrity are brief and focus on informing employees about policies and meeting legal requirements. 3. Person who is in charge of designing and delivering training do not have specific expertise in integrity.
	50% - 74%	4. Integrity training is provided, but it is offered as a stand-alone course rather than being integrated with the overall training curriculum. 5. Training focuses more on rules and the organisation's expectations than on integrity analysis. 6. More integrity training is delivered through self-study rather than delivered by instructor. 7. Integrity training occurs at new hire and upon promotion to management department. 8. Leaders in the organisation are expected to conduct training as part of team meetings using provided instructor guides or toolkits.
	75% - 99%	9. The organisation exposes employee with relevant cases to assists them in ethical problem solving. 10. The organisation has adopted a specific integrity decision-making methodology, tied to its core ethical values that enables employees to solve ethical dilemmas. 11. Employees who are directly involved in promoting integrity and culture are given additional support and training. 12. Integrity is included in various trainings organised by the organisation. 13. Senior managers endorse and voluntarily attend integrity training. 14. The function of integrity staffs is to help design, develop, deliver and reinforce learning from the training.
	100%	15. The organisation provides minimum number of state-of-the-art integrity training per year to all board members and employees. 16. Integrity training is integrated into the organisation's staff development program. 17. Integrity training is formally evaluated for effectiveness , constantly updated and improved. 18. The organisation collaborates with other stakeholders to improve its integrity training.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q18)
10. ETHICS COMMUNICATION	*0% - 24% (-ve worded)	1. There are no formal communications or discussions about integrity
	25% - 49%	2. Some of the managers talk about integrity informally or on an ad hoc basis. 3. Someone in Human Resources or management occasionally reminds employees about policies and compliance requirements. 4. Website information or static printed literature is available about integrity.
	50% - 74%	5. The organisation sponsors a forum for employees to discuss integrity issues and to provide input to the organisation. 6. Employees learn about the organisation's integrity values from variety of ways such as website, newsletter, e-mails etc. 7. Integrity issues are regularly included in the organizational communication channels.
	75% - 99%	8. All employees have access to organisational website on vision, goals and results regarding integrity. 9. The organisation conducts outreach to its stakeholders in an effort to promote transparency and integrity. 10. The organisation publishes an annual report about its integrity programmes and distributes this report both inside and outside of the organisation. 11. The leaders promote the organisation's vision and emphasize integrity in their internal and external speeches. 12. The main integrity issues are routinely included in the organisation's communication channels.
	100%	13. Communicating ethical conduct and integrity is an important aspect of promoting the reputation of the organisation. 14. The organisation sponsors events that promote and increase awareness on ethical business conduct. 15. The organisation consistently highlights integrity and share successes in both its internal and external communications. 16. The leaders regularly speak about integrity commitments, challenges, successes and encourage feedback on their actions. 17. The leaders are willing to engage in conversations that explore integrity issues that they have faced. 18. The organisation promotes transparency related to all of its activities.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q18)
11. WHISTLEBLOWING	*0% - 24% (-ve worded)	1. Employees are not encouraged to speak up or bring concerns or complaints to the attention of management. 2. Organisational policies do not highlight on protecting employees from retaliation or retribution.
	25% - 49%	3. The employees are directed to inform their manager or supervisor about unethical behaviour or misconduct. 4. The organisation has a policy that encourages employees to follow the "chain of command" when facing workplace issues. 5. The organisation does not encourage or support anonymous complaints regarding unethical behaviour.
	50% - 74%	6. The organisation offers a channel where employees can bring up concerns or complaints regarding unethical behaviour or misconduct. 7. The organisation promises some measure of confidentiality in solving concerns regarding ethics and integrity issues at workplace. 8. A "hotline" or "helpline" service provides channels for both anonymous as well as confidential complaints. 9. Calls reported to the hotline or helpline are evaluated by the integrity officer to determine whether they require follow-up, investigation or solution. 10. Retaliation and retribution against those who speak up is specifically prohibited.
	75% - 99%	11. Retaliation and retribution against those who speak up is specifically prohibited. 12. The employees receive information guidelines about how, when, and why to call the hotline or helpline.. 13. Summary of data is publicly disclosed in regular basis describing the type of matters that have been reported and the outcome of those matters. 14. There is a single standard or set of rules that controls how internal investigations and fact-finding will be conducted.
	100%	15. Employees are encouraged to speak up and bring forward their concerns through confidential channels provided by the organization. 16. Both complainants and complained receive protection in the right process according to procedure, including (a) confidentiality; (b) opportunity to present witness and evidence; (c) opportunity to be heard and respond; and (d) opportunity to be represented by a legal counsel. 17. The supervisors and managers receive training on how to recognize and prevent retaliation. 18. Victims of retaliation will be fully compensated for losses.

Table 4.8   Cont.

Dimension	Benchmark	Descriptor (QI -Q10)
12. ACCOUNTABILITY	*0% - 24% (-ve worded)	1. There is no or very limited disclosure of activities including financial performance to the relevant stakeholders.
	25% - 49%	2. The organisation simply reacts or responds to audit/inquiry officer. 3. The organisation discloses information when the disclosure serves its interest.
	50% - 74%	4. The organisation discloses basic information to public regarding organisation's visions, missions, goals, policies, customer charters and activities. 5. The organisation makes an effort to disclose additional information beyond the basic information.
	75% - 99%	6. The organisation implements quality processes that will allow disclosure, evaluation and feedback for continuous improvement. 7. The organisation uses ICT and other social media to disclose relevant information as a way to engage the stakeholder
	100%	8. The organisation informs thing that has been verified by credible and reputable independent parties. 9. The organisation is accountable to comply with procedure. 10. The organisation complies with the provisions of the Personal Data Protection Act.

Note: * The questions will be recoded positively

4.4   Data Analysis Method

The choice of statistical software used to examine the research hypotheses was Statistical Package for Social Science (SPSS) Version 12.0 for Windows. SPSS was chosen because of its popularity as one of the more widely used statistical package. Version statistical tests were conducted to examine the central tendency and dispersion of the original data, to test the assumption for normality, linearity and homoscedasticity of the data, as well as to conduct regression analysis on the research variable. The data collected was analysed to obtain the goodness of measure with regards to the response rate, sample profile, validity test and reliability test, as well as the inferential analysis such as descriptive analysis, test of difference and the results of the hypotheses testing.

4.4.1   Surveys of Data Analysis Software

G-Power for sample size to run the model indicated that model 1 requires a minimum of 55 and model 2 requires a minimum of 77. However, after PLS was used for hypotheses analysis, the result showed that the measurement model is not significant. It is because a single metric was used and there are a lot of questions and they are quite similar   (Hair, J. F., Ringle, C. M., & Sarstedt, M., 2017)

Thus, this study used SPSS and analysed data using multiple regression. It proofs the model, answers research objective and research question for this study. For model measurement (loading, AVE, CR, CA, Discriminant validity) show model is reliable and valid. Meanwhile, for structure measurement (p-value, t-value, R^2) for hypotheses have shown links positive and negative significant. This model is acceptable and good for data collection.

4.5   Goodness of Data

4.5.1   Factor Analysis

This study examined the extent to which the construct indicators accurately measure what they were supposed to measure by conducting Factor Analysis. Kaiser-Meyer-Olkin (KMO) and outcome variable have enough inter-correlation to warrant factor analysis. The KMO should be above 0.5 and the Bartlett's test must be significant (Hair, et al., 2016). Exploratory factor analysis was carried out to verify whether the

items of the independent variable, dependent variable and outcome variable in the questionnaire correctly capture, respectively. In carrying out factor analysis, the principle components analysis that extracted factors based on the criteria of Eigenvalue equal to or greater than 1.00 was employed. From anti-image matrices generated, the diagonal value in anti-images correlation matrix with lowest value is eliminated one by one until the measure of sampling adequacy is significant. From total variance explained the in the result tables, cumulative variance explained must be above 10% to proof construct validity. Factor loading was examined and interpreted based on criteria whereby, each item should load 0.40 or greater on the factor. The general guideline that all communalities should be above 0.50 was also adopted.

Coakes et al. (2006) enumerated that factor analysis is a data reduction technique used to reduce a large number of variables to a smaller set of underlying factors that summarize the essential information contained in the variables. Regularly, factor analysis is used as an exploratory technique when the research wishes to summarize the structure of a set of variables.

The first decision the researcher faces is whether the data are appropriate for factor analysis. Several measures are used for this purpose. According to Sharma (1999), firstly high correlation among the variables indicates that the variables can be grouped into homogeneous sets of variables measures with the same underlying constructs or dimensions. Low correlations among the variables indicates that the variables do not have much in common or are a group of heterogeneous variables. In this sense, factor analysis is a technique that attempts to identify group or clusters of variables whereby, the variables in each group indicated a common trait of factor.

Secondly, one can examine the partial correlations controlling for all other variables. These correlations also referred to as negative anti-images correlations, and should be small for the correlations matrix to be appropriate for factoring. Lastly, one can examine Kaiser's measure of overall sampling adequacy and measure of sampling adequacy for each indicator. This measure, the Kaiser – Meyer – Olkin (KMO) measure of sampling adequacy (Kaiser, 1970), is a popular diagnostic measure. KMO provide means to assess the extent to which, the indicators of a construct belong together which is, a homogeneity measure of variables. Although there are no statistical tests for the KMO measure, the following guidelines are suggested by Kaiser and Rice (1974).

Table 4.9   KMO Measurement

KMO Measure	Recommendations
>. 90	Marvellous
.80+	Meritorious
.70+	Middling
.60+	Mediocre
.50+	Miserable
Below .50	Unacceptable

Besides that, to ensure the factors that should be extracted, the factor loading and cross loading are investigated. According to Pallant (2001), the amount of total variance described by the factor represent by eigenvalue should be equal to or grater than 1.0. Similarly, Hair et al. (1998) presumed that factors that have loadings equal or greater than 0.5 and cross loading more than 1.0 are selected in the study.

4.5.2 Reliability Analysis

This study adopted Cronbach's Alpha and construct validity in the reliability and validity test. According to Sekaran, Cronbach's Alpha was computed in terms of average intercorrelation among the items measuring the variable. This was used to measure the reliability coefficient that indicates how well the items in a set are inter-correlated to one another. Based on (Hair et al., 2006), the measure of reliability by Cronbach's Alpha ranges from 0 to 1, with values of 0.60 to 0.70 deemed the lower limit of reliability. In tis study, the minimum acceptance level was set at 0.60. Once the data is ready for analysis, the researcher is ready to test the significance and hypotheses already developed for this study.

The reliability of a measure indicates the stability consistency which the instruments measures the concepts and helps to assess the "goodness" of measure (Cavana et al., 2001). In the framework, the Cronbach's alpha which is based on the average correlation of item within a test if the items are standardized. Since the Cronbach's alpha can be interpreted as a correlation's coefficient, it ranges in value from 0 to 1 (Coakes et., 2006) and if alpha is greater than 0.60, then it is considered as good measures (Hair et al.,1998).

Besides that, the reliability of the instrument used in this study was tested using Cronbach's Alpha. According to Sekaran and Bougie (2010), if Cronbach's Alpha is closer to 1, the reliability of the measures is higher. Cronbach's Alpha of 0.6 is

considered poor, 0.7 is acceptable and 0.8 is categorized as good (Sekaran & Bougie, 2010). Nunnally (1978), Robinson, Shaver and Wrightsman (1991) and DeVellis (2003) suggested that the generally agreed upon lower limit for Cronbach's Alpha is 0.7.

4.6   Descriptive Analysis

Based on the data collected from the questionnaire survey, descriptive like mean, standard deviations and rank orders of the response were examined. Descriptive statistics are used to explore the data collected and to summarize and describe those data (Coakes at al. 200). It is used to convert raw data to more significant information to illustrate a set of factors in a situation (Cavana et al., 1998). It also provides details on the feel and nature on the characteristics of core variable and respondents (Sekaran, 2003). Among the descriptive statistics utilized included standard deviation, mean, minimum, maximum, range to examine the final construct. Besides that, the respondent's demographics information such as education level, gender or years of services is also considered.

4.7   Hypotheses Testing - Multiple Regression

Statistical technique for hypotheses testing greatly depend on the nature of the hypotheses being postulated. The focus of the study is to utilize multiple regression analysis in hypotheses one to seven. Multiple regression analysis measures the strength of the relationship between two variables (r = correlation coefficient) or jointly regressed multiple independent variable against the dependent variable (R^2 = multiple correlation). R^2 is used to explain the variance of predictors in influencing the criterion or dependent variable. Then when the R^2 value is calculated, the F statistics and level of significance are known, thus the results of the data can be interpreted.

In short, multiple regression analysis is accomplished in order to examine the simultaneous effect of multiple independent variables on a dependent variable that is interval scaled. Finally, adoption of the dependent variable affect the test level of ethics and integrity hypotheses to outcome variable namely organizational commitment. This is to examine the relationship between the dependent variable and outcome variable to look at the impact between relationship significance and instance.

4.7.1 Correlation Analysis

Correlation analysis was conducted to provide an initial view of the inter-relationships among the variables of interest. This correlation results will be an early indicator whether independent variable, dependent variable and outcome variable will show significant relationship in the multiple regression. Bivariate correlations were used to assess and understand the extent the variables are related and to see the direction and significant of the bivariate relationship of the variables used in the study.

4.7.2 Multicollinearity

According to Hair et al. (1998), multicollinearity is the correlation among three or more independent variable based on evidenced when one is regressed against the other. Pallant (2001) postulated that to check whether the multicollinearity exists, tolerance value must be less than .10 or a Variance Inflation Factor (VIF) value above 10.

4.8 Additional Analysis

4.8.1 Cross Tab

Cross tabulations of qualitative data are a fundamental tool of empirical research. Their interpretation in terms of testing hypotheses requires many relatively simple concepts in statistical analysis that derive from probability theory. When strictly independent events having two characteristics that were independently defined, they are tabulated in a contingency table where by, the laws of probability can be used to model from the marginal totals (rows, columns) of the table and what cell values would be if the variables were statistically independent.

The actual cell values of the frequency table can be used to measure the correlation between variables (with zero correlation corresponding to statistical independence), it can be compared to expected values under the null hypothesis of statistical independence and it can be used to give a significance-test estimate of the probability that the departure of the observed correlation from zero (statistical independence) is simply a matter of chance. Furthermore, when the sample of observations departs from strict independence because of observed interactions between

them, the correlations between interacting neighbours measured on the same variables can be used to deflate effective sample size in obtaining accurate significance tests (White, 2004).

4.8.2 Chi-Square Analysis

A chi-square test is used to see if there is a relationship between two categorical variables. It assumes that the expected value for each cell is five or higher. The chi-square test enables us to test whether more than two population proportion can be considered equal. Furthermore, if a population is categorized into many parts with respect to two attributes (such as age and occupation), we can then use a chi-square test to determine whether the two attributes are independents of each other. To go beyond intuitive feelings about observed and expected frequencies, chi-square is used and it is calculated this way. Under H_0 the test statistics is a below:

$$X^2 = \sum_{i=1}^{n} \frac{(O_i - E_i)^2}{E_i}$$ follows X² distribution with (r-1) (c-1) degree of freedom (df),

Where O_i stand for observed frequencies, O_i stands for the expected frequencies, r denotes the number of rows and c the number of columns. If calculated X² value is greater than table X² value for (r-1) (c-1) df at the required level of significance, then we reject H_0. In other words, if $p < 0.05$ then we reject H_0 and conclude that the two attributes are associated. The chi-square goodness of fit test also allows to test whether the observed proportions for a categorical variable differ from hypothesized proportions. We want to test whether the observed proportions from our sample differ significantly from these hypotheses proportions.

4.8.3 Cobweb and Descriptors Analysis

This analysis refers to the in-depth analysis conducted on the level of ethics and integrity where each item statement measuring all 12 dimensions were benchmarked against global practices.

4.9 Chapter Summary

This chapter discusses the overall research methodology designed to carry out the research work to determine the antecedents and outcomes of internal audit effectiveness in Malaysian Public Sector Organizations. The data collection method, population and sampling are discussed earlier in the chapter followed by the measurements of all variables.
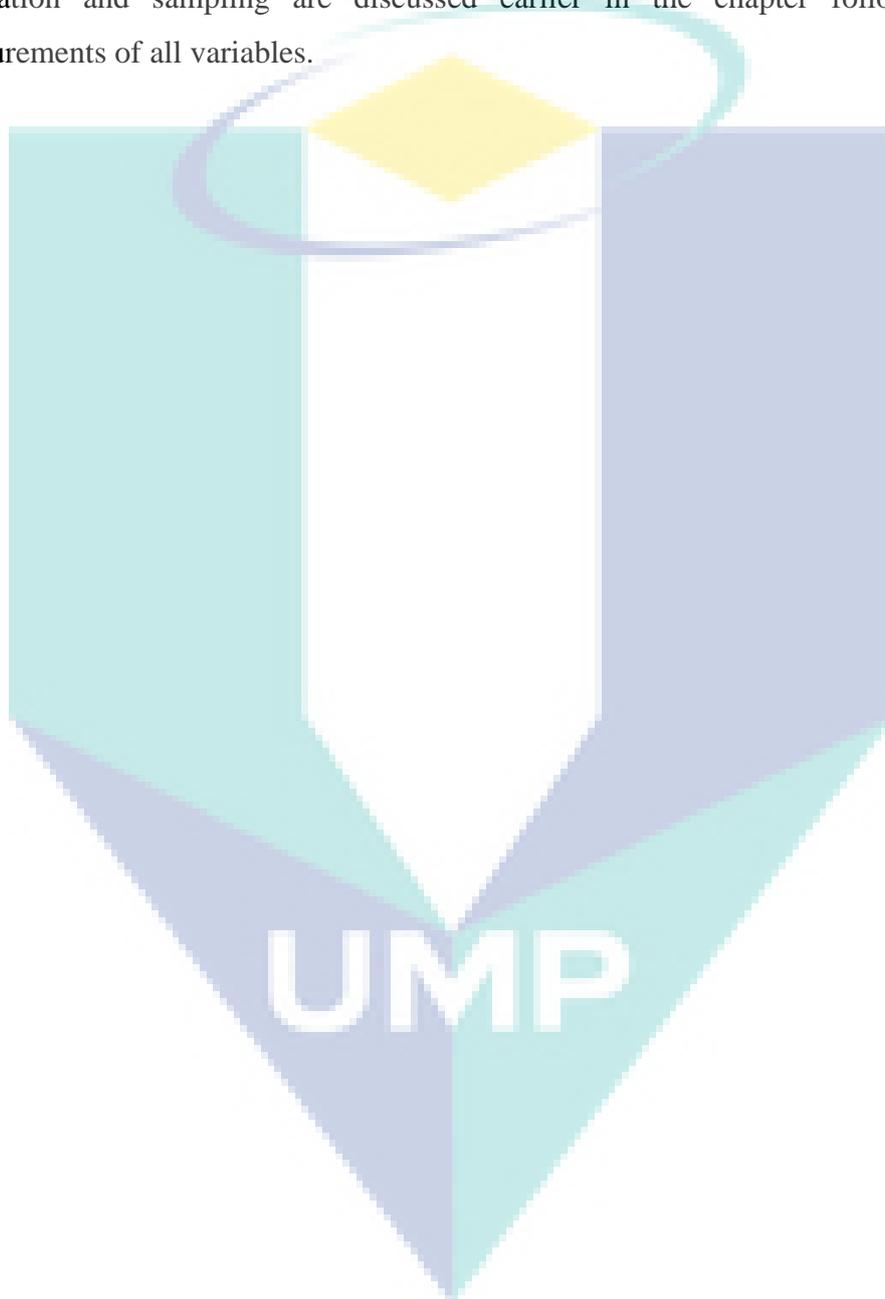
CHAPTER 5

RESULTS ANALYSIS AND FINDINGS

5.1   Introduction

This chapter presents and discusses the results of data analysis and findings related to the study on the level of ethics and integrity in the Malaysian public sector organizations. It starts with introduction, response rates and demographic profile of the respondents. The next section presents the results from the statistical analysis using SPSS. This SPSS analysis includes descriptive statistics, goodness of data, and hypothesis testing. Next section discusses the results based on additional analysis of using cross tab and chi square, followed by the cobweb analysis of ethics and integrity level.

5.2   Rate of Response

A total of 128 online questionnaires (Google form) were emailed to the Chief Integrity Officer (CIO) and the officers of Integrity Unit (IU) in the Malaysian public sector organization at the federal territory. Details of respondents such as name, contact number, address, position and email address were obtained from the Agency Integrity Management Division (BPIA) of Malaysian Anti Corporation Commission (MACC) on August 2017. Data was collected within three months period starting from the second week of August 2017 until the end of October 2017. Eighty-three (83) officers responded to the survey which made up 65% rate of response. Summary of the response rate is illustrated in Table 5.1. Profile of respondents is discussed in the next section.

Table 5.1   Summary of Response Rates

Details	Total
Questionnaires mailed	128
Questionnaire answered	83
Rate of Response (83/128)*100	65%

5.3   Demographic Profile of Respondents and Profile of Sample

The variables of interest requested in the questionnaire can be divided into three categories. First category is the personal detail of the respondent such as gender, race, religion and the level of education. Table 5.2 indicated that results is more than half where by, 53 respondents (63.9%) were male while remaining 30 respondents (36.1%) were female. The respondents were represented by four racial compositions that are Malay (91.6%), Chinese (2.4%), Indians (3.6%) and others (2.4% including Siamese and *Orang Asli*). Most of the respondents were Muslims (95`2%), followed by Buddhism (2.4%) and Christians (1.2%). Majority of the respondents (43.3%) were in the age range of 35 to 44 years old, followed by 45 to 55 years old (22.9%), 25 to 34 years old (18.1%) and the least 55 years old or above (15.7%). Almost half of the respondents possess a bachelor's degree (49.4%), followed by master's degree (39.8%), diploma (8.4%) and others (2.4%).

The seven of department consists of Jabatan Kemajuan Orang Asli, Jabatan Hal Ehwal Khas (Unit Integriti), Jabatan Perangkaan Malaysia, Jabatan Bantuan Guaman, Jabatan Wakaf Dan Haji and Jabatan Pertanian Semenanjung Malaysia and Jabatan Taman Laut Malaysia with existence of integrity unit, any experience of the breach of ethics and integrity in the past five years, and either the respondent is the head of the integrity unit or not. The next category inquires more details on the respondent's related matter with the integrity unit which include full designation of respondents, either they obtain any professional certificate or qualification related to ethics and integrity program, their working experience related to ethics and integrity portfolio, the operational and functional reporting level as well as the existence of other officers responsible for managing the ethics and integrity programme independently.

In term of the organization's profile which were, respondent's working place or type of organization they serve for, 75.9% of them work in ministries, followed by 15.7% in statutory body. The remaining are working in Federal departments which were

a total of 7 respondents (8.43%). From a total of 83 responses, only 2 of them do not have integrity unit in their organization. A percentage of 63.9% respondents were the head of integrity unit. Meanwhile, 36.1% of respondents stated that were no head of integrity unit as a compliance officer in the organization was either the manager academy SPD, investigation officer, assistance of director, senior assistance secretary, former chairman of unit and supervisor of integrity unit. Majority of the respondents have more than 12 years of working experience related to ethics and and integrity portfolio (42.1%). A total of 70 respondents (84.3%) owns professional certificate or qualification related to ethics and integrity program

These respondents came from various positions in the organization which included chief integrity unit, certified integrity officer, director of integrity unit, senior compliance officer, chief ethics officer, governance and integrity centre, investigation officer, secretariat and integrity, finance manager, assistance director, secretariat of department, special officer and curator. In this study, reporting functionally measure the independence level of CIO. The highest independence level would be the CIO is report to MACC. However, functionally reporting showed that 53% of the respondents report to their head of department, followed by Agency Integrity Management Division MACC (14.5%), ministry secrectary (14.5%) and chief executive officer (6.0%). Others include reporting functionally to Chairman, Director, Audit Committee, Senior Registrar, Head of Division and Manager.

Meanwhile, operationally reporting is about administrative report (daily report) showed that only 62.7% respondents reported to the head of department, 14.5% reported to ministry secretary and 7.2% reported to chief executive officer. Others included reporting operationally to President and Group CEO, Director, Director of Management Services Division, General Manager, Deputy Director General, Head of Branch and Head of Director. Interestingly, 62.7% responded that their organization does not have other officers responsible for managing ethics and integrity program independently. Moreover, 74.7% of the respondents stated that their organizations have experienced a breach of ethics and integrity in the last five years. This breach of ethics or integrity included bribery, corruption, fraud, discipline issues such as attendance and harassment, abuse of powers, false claim, violation code of conduct or crime. The summary of the demographic profile is listed in Table 5.2.

Table 5.2   Profile of Respondents (N=83)

Demographic	Characteristic	Frequency (N)	Percentage (%)
Gender	Male	53	63.9
	Female	30	36.1
Race	Malay	76	91.6
	Chinese	2	2.4
	Indian	3	3.6
	Others	2	2.4
Religion	Muslim	79	95.2
	Buddhism	1	1.2
	Christianity	1	1.2
	Others	2	2.4
Age	25-34 Years	15	18.1
	35-44 Years	36	43.3
	45-54 Years	19	22.9
	55 and above	13	15.7
Highest Qualification	Master	33	39.8
	Degree	41	49.4
	Diploma	7	8.4
	Others	2	2.4
Working Place: Type of Organization	Ministries	63	75.9
	Department	7	8.43
	Statutory Body	13	15.7
Existence of Integrity Unit	Yes	81	97.6
	No	2	2.4
Head of Integrity Unit	Yes	53	63.9
	No	30	36.1
Working Experience in Ethics and Integrity Portfolio	Less than 3 years	32	38.6
	3 years to less than 6 years	14	16.9
	6 years to less than 9 years	4	4.8
	9 years to less than 12 years	13	15.7
	12 years to less than 15 years	20	42.1
Professional Certificate or Qualification related to Ethics and Integrity Program	Yes	70	84.3
	No	13	15.7
Functional Reporting Level	Agency Integrity Management Division (MACC)	12	14.5
	Ministry Secretary	12	14.5
	Chief Executive Officer	5	53.0
	Head of Department	44	63.0
	Others	10	12.0
Operational Reporting Level	Agency Integrity Management Division (MACC)	3	3.6
	Ministry Secretary	12	14.5
	Chief Executive Officer	6	7.2
	Head of Department	52	62.7
	Others	10	12.0

Other Officers Responsible for Ethics & Integrity programme independently	Yes	31	37.3
	No	52	62.7
Experience any Breach of Ethics or Integrity	Yes	62	74.7
	No	21	25.3

5.4   Test of Nonresponses Bias

The data collection for this research had been conducted within short time frame which was within three months. Thus, this study did not perform nonresponse bias test to evaluate the early or late response (Armstrong & Overton, 1977).

5.5   Goodness of Measures

The goodness of measure is used to ensure the data from the survey is appropriate and can be analysed further in this study. The goodness of data is analysed using factor analysis and reliability test.

5.5.1   Factor Analysis

Factor analysis is one of the important steps in data analysis, primarily meant to understand the underlying dimensions or proposed dimensionality of variables in a purposed model or relationships in empirical research (Hair, Anderson, Tatham & Black, 2002). With variance rotation, factor analysis can identify the underlying dimensions of the perceived issues regarding the work performance (quality of CIO), ethical climate, level of ethics and integrity and organizational commitment. It can reduce the number of variables and classify the variables. The result of factor analysis using principal components with varimax rotation methods is discussed in the following subchapters.

Several statistical values in factor analysis were observed to establish whether the items are suitable to be factor analysed. This is done by examining the values of Kaiser-Meyer-Olkin (KMO), Eigen value and Bartlett's test of sphericity. According to (Field, 2005), KMO values greater than 0.50 are barely acceptable. According to MacCallum et al. (1999), an average value above 0.60 is acceptable for samples less than 100. Retained factors should have at least three items and should also not cross

load highly on other factors. Generally, the proportion of the total variance explained by the retained factors should be at least 50% (Streiner, 1994).

Under the Kaiser Criterion, the criteria used to identify these factors are that eigenvalue must be greater than 1 and that they each have at least 1 item to ensure stability (Hair et al., 2002). Another important statistical test is the Bartlett's test of sphericity. This test can detect the presence of significant correlations among variables. If the value of the test is large and significant ($p<0.05$), then it is appropriate to proceed with the factor analysis (Hair et al., 1998). Besides that, the communalities value was also analysed. Communalities gave information about how much of the variance in each item is explained. Low values (e.g. less than 0.3) could indicate that the item does not fit well with the other items in its component, thus, should be deleted.

5.5.1.1 Factor Analysis for Work Performance

Work performance is one of the dimensions measured for quality of chief integrity officer variable. According to Hair, Anderson, Tatham and Black (2002), each sample group was determined using a five to one ratio of individuals in the sample to variable in the instrument. This means that a minimum of 60 samples (12 items × 5) are required to be collected in order to generate factor analysis and to confirm construct validity. The sample collected is 83, thus the sample size is enough. The results indicated that the KMO value obtained was 0.79, indicating that the items were interrelated and they shared common factors.

According to Coakes et al. (2006), the acceptable limit for KMO is 0.60 and Sharma (1996) postulated that guided by Kaiser and Rice (1974), KMO within 0.70 is considered moderate and is acceptable. Bartlett's test of sphericity was found to be significant ($p<0.000$). This indicates the significance of the correlation matrix and thus confirming suitability for factor analysis. Results of the varimax rotated analysis indicated the existence of one significant component with eigenvalue of 5.18 explained 43.13% of the total variance. Originally, there are 12 items measuring work performance. After KMO analysis, six items of component matrix were found to be below 0.65 and thus were deleted. These items were (i) I have published integrity related article; (ii) I support integrity and governance committee; (iii) I advise the management on integrity matters; (iv) I ensure compliance to directives/regulations

issued by the organization (v) I act as a liaison officer between organization and Corporate Integrity Development Center, Malaysian Anti-Corruption Commission (CIDC, MACC); and (vi) I have to report any breach of integrity. Thus, only six remaining items were used in further analysis. The remaining items were listed in Table 5.3.

Table 5.3   Factor Analysis for Work Performance

Factor Loading for Work Performance Items	
I will coordinate the actions taken on the breach of integrity.	.82
I assist Integrity & Governance Committee.	.78
I have implemented a recovery integrity program.	.73
I am responsible to coordinate an integrity programme.	.72
I am responsible to monitor the integrity programme.	.71
I monitor the services delivery system of the organization.	.68
Eigen-value	**5.18**
Total variances explained	**43.13%**
Measure of sampling adequacy (KMO)	**0.79**
Bartlett's Test of Sphericity	**570.416**

Significant ($p < 0.05$)

5.5.1.2   Factor Analysis for Ethical Climate

The analysis of KMO measure for sampling adequacy of ethical climate is 0.79, indicating the items were interrelated and shared a common factor. Bartlett's test of sphericity was also found to be significant (Approx. Chi-Square = 1101.256, p = 0.000). The overall total variance explained 29% with eigenvalues 7.83. From a total 27 items for ethical climate, only 8 items were retained while others were deleted due to loading factors less than 0.60. Table 5.4 listed all the remaining items for ethical climate which were further analysed.

Table 5.4   Factor Analysis for Ethical Climate

Factor Loading for Ethical Climate Items	
It is expected that employees will do what is right for the customer and public.	.74
Employees are required to acknowledge the ethics code.	.74
Efficient solutions to problems are always sought here.	.73
Employees are regularly asserted that their actions are in compliance with the code of ethics.	.72
Our major consideration is what is best for everyone in this organization.	.72
The effect of decisions on the public is a primary concern in this organization.	.71
The major responsibility of people in this organization is to consider efficiency first	.70
Everyone is expected to stick by organization's rules and procedures.	.65
Eigen-value	**7.83**
Total variances explained	**29.0%**
Measure of sampling adequacy (KMO)	**0.79**
Bartlett's Test of Sphericity	**1101.256**

Significant (p<0.05)

Items deleted were (i) The most important concern is the good of all people in this organization; (ii) It is expected that each individual is cared for when making decisions here; (iii) People in this organization are actively concerned about the public's interest; (iv) People in this organization have a strong sense of responsibility to the outside community; (v) This organization demands obedience to authority, without questions; (vi) People in this organization are expected to do as they are told; (vii) The top management is always right in this organization; (viii) People in this organization are very concerned about what is best for themselves; (ix) In this organization, people protect their own interests above other considerations; (x) In this organization, each person is expected to know all of the above to work efficiently; (xi) In this organization, people are guided by their own personal ethics; (xii) Each person in this organization decides for themselves what is right and wrong; (xiii) The most important concern in this organization is each person's own sense of right and wrong; (xiv) In this organization, people are expected to comply with the law and professional standards over and above other considerations; (xv) In this organization, people are expected to strictly follow legal or professional standards; (xvi) It is important to follow strictly the organization's rules and procedures; (xvii) The organization has established procedure for employees to ask questions about ethics code requirements; and (xviii) The code of conduct is widely spread throughout the organization.

5.5.1.3 Factor Analysis on Level of Ethics and Integrity

This dependent variable studied contains 12 dimensions with a total of 208 items. Factor analysis was conducted separately for each dimension. All results were presented in the Appendices section at the end of this thesis. All assumptions for the factors analysis were fulfilled for example eigenvalues was >1, KMO measure of sampling adequacy was >0.60 and Bartlett's test of sphericity was significant (p <0.001). The scored of total variance explained (TVE) by each dimensions varies within range 33.04% to 57.67 %. These results were summarized in Table 5.5. Overall, 131 over 208 items were retained.

Table 5.5   Summary of Factor Analysis Results for Level of Ethics and Integrity's Twelve Dimensions

Dimensions	Eigen-value	TVE	KMO Value	Bartlett's Test	Initial Items	Items Delete	Items Retain
1. Vision and Goal	8.48	44.65%	0.90	851.37	19	6	13
2. Leadership	9.29	44.23%	0.88	1084.46	21	7	14
3. Infrastructure	5.62	33.04%	0.76	604.34	17	9	8
4. Legal Compliance, Policies and Rules	8.52	50.10%	0.89	951.71	17	9	8
5. Organizational Culture	8.16	40.88%	0.83	992.46	20	6	14
6. Disciplinary Measure and Rewards	7.86	46.03%	0.87	869.66	17	4	13
7. Measurements, Research and Assessment	8.44	49.65%	0.88	990.65	17	4	13
8. Confidential Advice and Support	5.89	36.79%	0.84	537.87	16	8	8
9. Ethics Training and Education	7.54	41.90%	0.86	899.51	18	8	10
10. Ethics Communication	10.38	57.67%	0.91	1274.89	18	2	16
11. Whistleblowing	6.58	36.56%	0.79	716.15	18	9	9
12. Accountability	3.42	34.21%	0.73	244.35	10	5	5

Significant (p < 0.05)

5.5.2 Test of Reliability of the Instrument

A reliability analysis was performed to ensure reliability of the items in the questionnaires. A reliability analysis is a measure of its consistency and stability of the data collected from the 83 respondents. The reliability of the instrument used in this study was tested using the SPSS statistical software. The Cronbach's Alpha was

obtained and used to assess reliability. For this study, Cronbach's Alpha which exceeds the value 0.70 (Nunnally, 1998) is considered a reliable measure of the factors. The limit was set as suggested by Hair, Anderson, Tatham and Black (2002). For a questionnaire to be reliable, conventionally, a Cronbach alpha value should be greater than 0.70.

5.5.2.1 Reliability Analysis for Each Dimension of Level of Ethics and Integrity

Table 5.6 represents the result of the reliability test for each of the level of ethics and integrity in the Malaysian public-sector organization. All Cronbach alpha showed values above 0.70 except for infrastructure dimension which was only 0.67. The generally agreed upon lower limit for Cronbach's Alpha is 0.7 (DeVellis, 2003; Nunnally, 1978; Robinson, Shaver & Wrightsman, 1991; Sekaran & Bougie, 2010), however, value greater than 0.60 is still acceptable (George & Mallery, 2003).

Table 5.6   Reliability Analysis of Level of Ethics and Integrity Dimensions

Variables	Cronbach's Alpha
Vision and Goals	0.84
Leadership	0.95
Infrastructure	0.67
Legal Compliance, Policies and Rules	0.93
Organizational Structure	0.93
Disciplinary Measure and Rewards	0.92
Measurements, Research and Assessment	0.93
Confidential Advice and Support	0.90
Ethics Training and Education	0.95
Ethics Communication	0.96
Whistleblowing	0.90
Accountability	0.81

5.5.2.2 Reliability Analysis for All Variables

Table 5.7 represent the results of the reliability test for each variable tested in this study i.e. work performance (one dimension of quality chief integrity officer, an independent variable), ethical climate (another independent variable). The Cronbach's alphas for all variables were more than 0.70 which is considered as good according to Sekaran and Bougie (2010). Therefore, all the factors fulfilled the minimum requirement level of reliability.

Table 5.7   Reliability Analysis of All Variables

Variables	Cronbach's Alpha
Work Performance	0.87
Ethical Climate	0.78
Level of Ethics and Integrity	0.99

5.6 Descriptive Statistics

The study makes use of descriptive statistics to convert raw data to a more significant information. Descriptive statistics also give details on the feel and nature on the core variables and respondents by checking the central tendency (average) and the dispersion (spread) (Sekaran, 2003). The mean, the range, the standard deviation and the variance in the data give a good idea of how the respondents have reacted to the items in the questionnaire and how good the items are measurement (Daud, 2008).

In the descriptive statistics of principal construct, the mean was applied as a measure of central tendency, which indicated that all variables were above their midpoint level (Sekaran, 2003). Table 5.8 shows the summary of descriptive statistics for all independent variables. The highest mean of 4.21 is recorded by work performance (one of the quality of chief integrity officer dimensions) with standard deviation (SD) of 0.79, followed by ethical climate (mean value 4.10, SD 0.32), This indicates that the respondents quite strongly agree with all items regarding the work performance and ethical climate in the organisation.

Table 5.8   Summary of Descriptive Statistics for All Independent Variables

Item	Min	Max	Std. Deviation	Mean
Work Performance	1.67	5.00	.79	4.20
Ethical Climate	3.33	4.83	.32	4.10

Table 5.9 shows the descriptive statistics for dependent variable i.e. level of ethics and integrity which comprises of twelve (12) dimensions. Overall, it shows that the mean score of the twelve components range from 3.03 to 4.20, indicating that respondents rated the items in each dimension as above average or at least scale 3 (neutral). Meanwhile, the standard deviation of the twelve dimensions range from 0.37 to 0.75, which shows not much of a variation between the respondent's answer. Out of the twelve components, infrastructure showed the lowest score with a mean of 3.03 and standard deviation of 0.32, indicating that the respondents view the way organization

organises ethics and integrity on function structure, staff, resources, formal or informal reporting as average. Dimension of legal compliance, policies and rules scored the highest mean of 4.20 with standard deviation of 0.79, indicating that the respondents agree with the organizations whom adopted laws, policies, rules and guidance, ethics and integrity system with the best practices in the organization.

Table 5.9   Summary of Descriptive Statistics for 12 Dimensions of Ethics and Integrity (Dependent Variable)

Item	Items	Min	Max	Std. Dev	Mean
Legal Compliance, Policies & Rules	14	3.00	5.00	.56	4.20
Disciplinary Measure & Rewards	11	2.55	5.00	.63	4.11
Vision and Goals	12	3.00	4.75	.47	4.08
Leadership	14	1.93	5.00	.68	4.07
Accountability	5	3.00	5.00	.64	4.05
Whistleblowing	9	2.78	5.00	.67	4.04
Organizational Structure	12	2.58	5.00	.61	4.04
Ehics Communications	14	2.21	5.00	.72	4.04
Confidential Advices & Support	8	2.75	5.00	.68	3.92
Ethics Training and Education	9	1.33	5.00	.75	3.87
Measurements, Research & Assessment	11	2.09	5.00	.70	3.86
Infrastructure	5	2.40	4.20	.37	3.30

Overall Mean: 47.58/12 = 3.97

5.7   Relationships Testing Hypotheses (Multiple Linear Regression)

A hypothesis can be defined as a logically assumption between two or more variables in the form of testable statement. The relationships are assumed based on the network of association established in the theoretical framework formulated in the research study (Sekaran, 2003). By testing the hypothesis and confirming the assumption relationship, it is expected that the solutions can be found to correct the problem encountered. There are several relationships to be tested in this study. Logistic regression i.e. multiple linear regression was used to investigate these relationships.

Multiple regression is a family of techniques that can be used to explore the relationship between one continuous dependent variable and several independent variables or predictors (usually continuous). Several assumptions must be fulfilled before using this multiple regression analysis including appropriate sample size, multicollinearity and singularity, outliers, normality, linearity, homoscedasticity and residuals independence (Pallant, 2011).

5.7.1 Hypotheses Testing for Relationship Between Quality of CIO with the Level of Ethics and Integrity

The null hypothesis (H_o) for this study stated that there was no relationship between independent variables (i.e. quality of chief integrity officer and ethical climate) to the level of ethics and integrity. Alternately, the following hypotheses were formulated as per theoretical framework proposed in chapter 4.

H_1:   There is a significant relationship between quality of chief integrity officer with the level of ethics and integrity.

H_2:   There is a significant relationship between ethical climate with the level of ethics and integrity.

From the multicollinearity test, it was found that each independent variable correlate substantially with the level of ethics and integrity, that is 0.45 for quality of chief integrity officer and 0.38 for ethical climate. Thus, all variables were retained since the acceptable value for collinearity should be within $0.30 < 0.70$ (Pallant, 2011). Furthermore, the tolerance values for each variable was 0.87 indicating that the multiple correlation with other variables is low, thus very less possibility of multicollinearity. The VIF values obtained by each variable were 1.15 (less than 10), indicating no multicollinearity presence in this model. By inspecting the Normal Probability Plot (P-P) of the Regression Standardised Residual and the Scatterplot that were requested as part of the analysis, the assumptions for outliers, normality, linearity, homoscedasticity, independence of residuals were addressed. It was found that in the Normal P-P Plot, the points lied in a reasonably straight diagonal line from bottom left to top right. It means that there were no major deviations from normality.

The presence of outliers was detected from the Scatterplot. Tabachnick and Fidell (2007) define outliers as cases that have a standardised residual of more than 3.3 or less than -3.3. Since only a few was found, no necessary action should be done (Pallant, 2011). Since all preliminary assumptions for a multiple linear regression had been fulfilled, further analysis of model evaluation was done. The R Square value of 0.27 indicated that the independent variables studied in this research explained 27.1% of the variance is in the level of ethics and integrity. Since this research had a small sample size, the R square value in the sample tends to be a rather optimistic and overestimation

of the true value in the population (Pallant, 2011). In this case, the Adjusted R square statistic provided a better estimate of the true population value i.e. 25.2% variance in the level of ethics and integrity could be explained by quality of chief integrity officer.

Further statistical significance of the result was assessed using ANOVA. t was found that the model in this study reached statistical significance (Sig. = .000; p<0.05). Therefore, the null hypothesis was rejected. There is significant relationship between independent variables in the model with the level of ethics and integrity as the dependent variable. Further contribution of each independent variable was compared using the beta values. The largest beta coefficient is 0.36, which is for quality of chief integrity officer. This means that this variable makes the strongest unique contribution to explaining the level of ethics and integrity, when the variance explained by all other variables in the model is controlled. The Beta value for ethical climate (EC) was slightly lower (0.27), indicating that it made less of a unique contribution.

Table 5.10 is a following completed regression equation for the relationships between quality of chief integrity officer and ethical climate with the level of ethics and integrity were concluded based on the unstandardized coefficients values. The Sig. value scored for both variables were less than 0.05, indicating a significant unique contribution to the prediction of the level of ethics and integrity at confidence interval of 95%. Hence, the null hypothesis was rejected. There is the relationship between quality of chief integrity officer (H_1) and ethical climate (H_2) with the level of ethics and integrity.

Table 5.10   Coefficients of the Relationship between Quality of Chief Integrity
Officer and Ethical Climate with the Level of Ethics and Integrity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.102	.625		1.764	.082		
QCIO	.647	.184	.360	3.511	.001	.87	1.15
EC	.420	.162	.266	2.593	.011	.87	1.15
Dependent Variable: LEI							

Significant (p < 0.05)

5.7.2 Hypotheses Testing for Relationship between Independence, Competence, Work Performance and Ethical Climate with the Level of Ethics and Integrity

Since the quality of chief integrity officer (QCIO) were measured by three dimensions (i.e. independence, competence and work performance) and ethical climate, the following modified model was used in the testing of the relationship between independent variables and dependent variable.

The null hypothesis (H_o) stated that there is no relationship between independence, competence, work performance and ethical climate with the level of ethics and integrity. Whereas, alternately, the Hypothesis 1 (H_1) and Hyphothesis 2 (H_2) was further detailed into the following sub-hypotheses:

H_{1a}:   There is a significant relationship between independence of the chief integrity officer with the level of ethics and integrity.

H_{1b}:   There is a significant relationship between competence of the chief integrity officer with the level of ethics and integrity.

H_{1c}:   There is a significant relationship between work performance of the chief integrity officer with the level of ethics and integrity.

H_2:   There is a significant relationship between ethical climate with the level of ethics and integrity.

From the multicollinearity test, it was found that each independent variable correlate substantially with the level of ethics and integrity, which is 0.20 (independence), 0.17 (competence), 0.40 (work performance) and 0.38 (ethical climate). Thus, all variables were retained since the acceptable value for collinearity should be

within 0.30 < 0.70 (Pallant, 2011). Furthermore, the tolerance values for each variable was very large (all values above 0.80) indicating that the multiple correlation with other variables is low, thus very less possibility of multicollinearity. The other values given were the VIF (Variance inflation factor), which is just the inverse of the Tolerance value (1 divided by Tolerance). All VIF values obtained by each variable were less than 10, indicating no multicollinearity presence in this model.

By inspecting the Normal Probability Plot (P-P) of the Regression Standardised Residual and the Scatterplot that were requested as part of the analysis, the assumptions for outliers, normality, linearity, homoscedasticity, independence of residuals were addressed. It was found that in the Normal P-P Plot, the points lied in a reasonably straight diagonal line from bottom left to top right. It means that there was no major deviations from normality. The presence of outliers was detected from the Scatterplot. Tabachnick and Fidell (2007) define outliers as cases that have a standardised residual of more than 3.3 or less than –3.3. Since it was found only a few, no necessary action should be done (Pallant, 2011). Since all preliminary assumptions for a multiple linear regression had been fulfilled, further analysis of model evaluation was done.

In the Model Summary, the R Square value of 0.28 indicated that the independent variables studied in this research explained 27.8% of the variance in the level of ethics and integrity. Since this research had small sample size, the R square value in the sample tends to be a rather optimistic overestimation of the true value in the population (Pallant, 2011). In this case, the Adjusted R square statistic provided a better estimate of the true population value i.e. 24.1% variance in the level of ethics and integrity could be explained by all dimensions of quality of chief integrity officer (i.e. independence, competence, work performance) and ethical climate. Further statistical significance of the result was assessed using ANOVA, It was found that the model in this study reached statistical significance (Sig. = .000; p<0.05) at confidence interval 95%. Therefore, the null hypothesis for the overall relationship was rejected. There is the significant relationship between all independent variables with the level of ethics and integrity.

Table 5.11, evaluating each of the independent variables included in the model contributed deeper to the prediction of the dependent variable. This was done by

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analysing the Coefficients output as shown in Table 5.11. The largest beta coefficient is 0.32 was scored by work performance (WP). This means that this variable makes the strongest unique contribution in explaining the level of ethics and integrity, when the variance explained by all other variables in the model is controlled. The Beta value for ethical climate (EC) was slightly lower 0.27, indicating that it made less of a unique contribution followed.

Table 5.11   Coefficients of the Relationship between Independence, Competence, Work Performance and Ethical Climate with the Level of Ethics and Integrity

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.973	.655		1.486	.141		5.089
IND	.233	.248	.095	.941	.050	-.43	1.444
COMP	.456	.271	.162	1.684	.096	-.65	2.291
WPER	.204	.066	.315	3.093	.003	.01	0.711
EC	.426	.167	.270	2.577	.012	.15	1.550
Dependent Variable: Level of Ethics and Integrity							

Significant ($p < 0.05$)

5.8   Additional Analysis

Additional analysis part one covers the analysis conducted to examine the possible relationship of demographic variables to the variables examined. This was done using the cross tab and chi square analysis. Additional analysis part two provides an in-depth analysis of each level of ethics and integrity dimensions using the "cobweb analysis" of the score of the descriptors using the 12 dimensions of level of ethics and integrity.

5.8.1   Crosstabulation and Chi Square Test

Crosstabulation and Chi-square test were used to examine the significant relationship between two categorical variables. The assumptions of chi-square concerning the 'minimum expected cell frequency', should be 5 or greater (or at least 80% of cells have expected frequencies of 5 or more). To be significant, the significant value needs to be $p < 0.05$ or smaller. Prior to conducting the test, the variables of this study were divided into two levels (i.e. high and low category). For existing variables measured by two distinct responses (i.e. Male/Female; Yes/No), the cross tab was run

on these two categories. This test was done between independent variable, dependent variable (i.e. quality of chief integrity officer, ethical climate, level of ethics and integrity) against the demographic factors (i.e. age, gender, race, education, professional certification and their position either as the head of integrity officer). After analyzing the crosstabulation and chi-square, results indicated that level of ethics and integrity, quality of chief integrity officer, ethical climate is not affected or significant against the age, gender, race and position as head of integrity unit, education level and professional certification. It is because of the value findings is more than the tabulated value 0.05 (should $p < 0.05$) as shown in Appendix Q.

Table 5.12 presents the crosstabulations and chi-square test results of the quality of CIO against position as head of Integrity Unit. The results indicated the Pearson chi-square values of 5.605 and 1 degree of freedom (df) with a probability value (p-value) of 0.018. Since the p-value is less than 0.05 in the Asymp. Sig (2-tailed) column, it means there is significant quality of CIO with position as head integrity unit in the organizations. It showed that being a head of integrity unit results in higher score of the quality of chief integrity officer with the score of 32 (60.4%) compared to not being the head of integrity unit with the score of 20 (66.7%) which is lower quality of chief integrity officer.

Table 5.12   Result of Cross Tabulation and Chi-Square Test between Quality of CIO against position as Head of Integrity Unit (Yes and No)

Crosstab		Position as Head of Integrity Officer		
		Yes	No	Total
Quality of CIO	Lower	21	20	41
	Higher	32	10	42
	Total	53	30	83

Chi-Square Test	Value	df	Asymp. Sig(2-Side)
Person Chi Square	5.605	1	.018
Likelihood Ratio			
Liner by Linear	4.575	1	.032
N. of Valid Cases	4.686	1	.017
	83		

Significant ($p < 0.05$)

5.8.2   Cobweb and Descriptors Analysis of the Level of Ethics and Integrity

This additional analysis is an assessment results of the overall level of ethics and integrity and for each of 12 dimensions in the level of ethics and integrity measured in this research. Figure 5.1 shows the cobweb of all 12 dimensions where by, only Legal Compliance, Policies and Rules dimension achieved more that 80% score compared to other dimensions which found to be within range 60% to 80%.

12 Dimensions of the Level of Ethics and Integrity
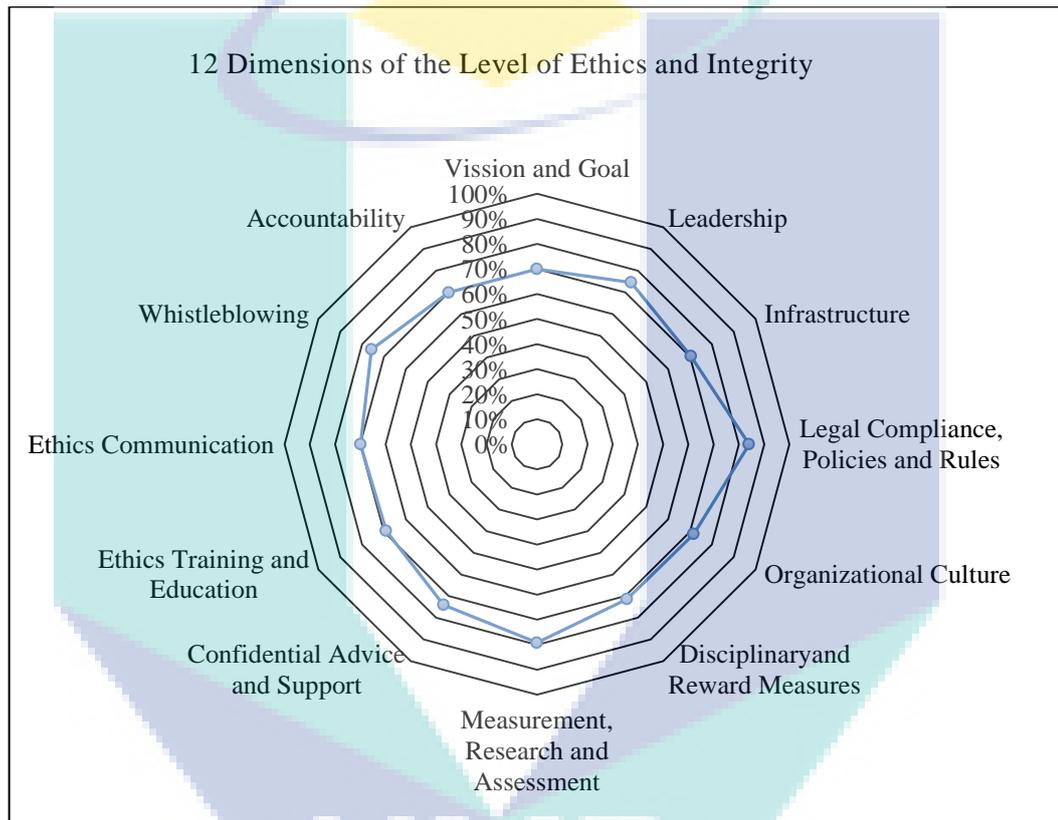
Figure 5.1   Overall Scores of Level of Ethics and Integrity

Further details for each dimension scores were as shown in Table 5.13. Three dimensions of the level of ethics and integrity scored more than 75% while another 11 dimensions scored within 50% and 75%. The highest percentage score was legal compliance, policies and rules (84%), followed by measurement, research and assessment (79%) and whistleblowing (76%). The high scores for these dimensions indicate that in general, a high level of ethics and integrity is practiced by the organizations studied in this research. Ethics training and education scored the lowest percentage (69%) compared to ethics communication, accountability, vision and goals, and infrastructure dimensions which scored 70% respectively. Leadership dimension

scored slightly higher (75%) followed by confidential advice and support (74%), organizational culture (72%) and disciplinary and reward measures (71%).

Table 5.13   Overall Score of 12 Dimensions of Ethics and Integrity Level

Dimensions of Ethics and Integrity	Result (%)
1.Legal Compliance, Policies and Rules	84.00%
2.Measurement, Research and Assessment	79.20%
3.Whistle Blowing	75.67%
4.Leadership	74.60%
5.Confidential Advice and Support	74.00%
6.Organizational Culture	71.67%
7.Disciplinary and Reward Measures	71.33%
8.Infrastructure	70.40%
9.Vision and Goal	70.00%
10.Accountability	70.00%
11.Ethics Communication	69.87%
12.Ethics Training and Education	69.00%
Overall Score	**73.31%**

According to the benchmark level of Corporate Integrity System Malaysia (CISM), as shown in Figure 5.2, it can be said that all dimensions are in the beginning of the programmatic thrust moving in a healthy direction whilst three of them are already having systematic and robust approach in the contribution towards ethics and integrity in the Malaysian public sector organizations. Details of analysis for each dimension were presented in the following sections.
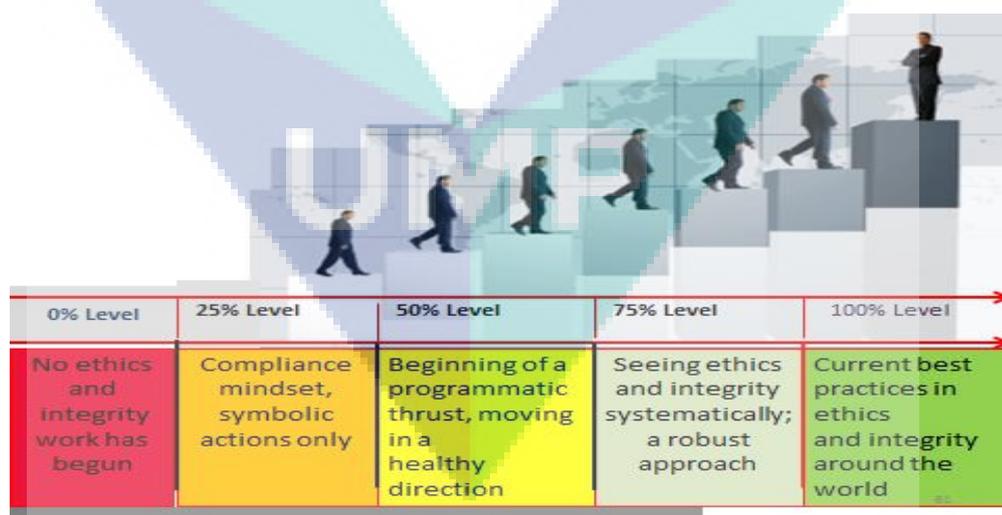
Figure 5.2   Five Benchmarks Level of Corporate Integrity Sistem Malaysia

Source: Malaysian Institute of Integrity (IIM)

5.8.2.1 Vision and Goals

Vision and Goals measurement covers the association's general idea and way to deal with morals and trustworthiness, including its formal enunciation of the association's rationality about moral and good practice, and how these desires supported in Malaysian public sector organizations. This benchmark includes how these organizations identifies and defines their core ethical values, as well as how they integrate those values into daily operations. Figure 5.3 shows the comparison scored of benchmarks (BM) level with the public sector organizations. It showed that most of the descriptors achieved higher percentage score than benchmarks for each category level except for 100% category.

Figure 5.3   Benchmark Comparison for Descriptors of Vision and Goals

Figure 5.3 presented the percentage scored for each descriptor for Vision and Goals dimension at each category level. Two items were asked for 0% category level of vision and goals. The two descriptors indicate that ethics and integrity have not been initiated and they are (i) There is no explicit integrity vision, goals, policies, statement or program and (ii) Ethics and integrity is neither recognized nor discussed seriously. It showed that 40% respondents agreed that there is no explicit integrity vision, goals, policies, statement or program in their organization. On the otherhand, 80% of them agreed that ethics and integrity is neither recognized nor discussed seriously in their organization. In other words, only 40% of the overall organizations involved in this

study has explicit integrity vision, goals, policies, statement or program as well as recognizing and discussing about ethics and integrity seriously in their workplace.

At 25% category level, four items were asked and 80% respondents agreed that a legalistic code of conduct or compliance-related policy exists in their organization. However, only 40% of the respondents agreed for another three items which are (i) "Integrity" is limited to legal compliance or the organization's formal internal rules structure; (ii) Integrity is tolerated only because it would be politically incorrect to fail to mention it; and (iii) Little is done intentionally to embed integrity in the organization. At 50% category level, all respondents agreed that integrity is seen as a requirement for organizational and individual performance. Around 80% of respondents agreed that the organization has defined core values and communicates them on a regular basis. Executives in their organization understand and reinforce the connection between values, performance, and success. However, only 60% agreed that their organization and its leaders recognize that legal conduct and ethical behaviour are not necessarily identical.

While at 75% category level, 80% of the respondents were in agreement with all four items measured which are (i) The organization and its employees have specified their respective expectations in terms of integrity and ethical conduct; (ii) The organization is clearly shown that principles and upholding core ethical values come before closing a deal or profitability; (iii) All employees have standards of performance based upon the organization's core ethical values and their work is measured using these standards; and (iv) Ethical action and leadership are perceived as critical for the organization's continuing success. Similarly, at 100% category level, 80% of the respondents agreed that (i) All employees in the organization behave in a way that shows their commitment to achieve the organization's vision and ethical action; (ii) Each of the organization's integrity targets is reasonable, clear, measurable and achievable; (iii) Integrity is not seen as an isolated program, but rather as key to growth and success; (iv) A majority of all employees rates the workplace as respectful of individuals, fair, open, and flexible; and (v) The organization is frequently benchmarked for its ethics and integrity.

Table 5.14 shows that at 50%, 75% and 100% benchmark levels for Vision and Goals which have the same highest percentage of 80%. It means to say that most initiatives have been made at these levels., especially when integrity is seen as a requirement for the organizational and individual performance. Hence, ethics and integrity should be recognized and discussed seriously in the organization.

Table 5.14   Vision and Goals Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	There is no explicit integrity vision, goals, policies, statement or program.	40
	2.	Ethics and integrity is neither recognized nor discussed seriously.	80
		*Average score for negative worded question.	60
		Average score for 0% level benchmark.	**(40)**
25%	3.	"Integrity" is limited to legal compliance or the organization's formal internal rules structure.	40
	4.	A legalistic code of conduct or compliance-related policy exists.	80
	5.	Integrity is tolerated only because it would be politically incorrect to fail to mention it.	40
	6.	Little is done intentionally to embed integrity in the organization.	40
		Average score for 25% benchmark	**50**
50%	7.	Integrity is seen as a requirement for organizational and individual performance.	100
	8.	The organization has defined core values and communicates them on a regular basis.	80
	9.	Executives in this organization understand and reinforce the connection between values, performance, and success.	80
	10.	The organization and its leaders recognize that legal conduct and ethical behaviour are not necessarily identical.	60
		Average score for 50% level benchmark	**80**
75%	11.	The organization and its employees have specified their respective expectations in terms of integrity and ethical conduct.	80
	12.	The organization is clearly shown that principles and upholding core ethical values come before closing a deal or profitability.	80
	13.	All employees have standards of performance based upon the organization's core ethical values and their work is measured using these standards.	80
	14.	Ethical action and leadership are perceived as critical for the organization's continuing success.	80
		Average score for 75% level benchmark	**80**
100%	15.	All employees in the organization behave in a way that shows their commitment to achieve the organization's vision and ethical action.	80
	16.	Each of the organization's integrity targets is reasonable, clear, measurable and achievable.	80
	17.	Integrity is not seen as an isolated program, but rather as	80

	key to growth and success	
18.	A majority of all employees rates the workplace as respectful of individuals, fair, open, and flexible.	80
19.	The organization is frequently benchmarked for its ethics and integrity	80
	Average score for 100% benchmark	**80**
Total (%) for Vision and Goals (19 Descriptors)		**66.00**

5.8.2.2   Leadership

This dimension covers the responsibilities of the organization's leadership in shaping and supporting the ethics and integrity initiatives. It examines how leaders and managers are held accountable for promoting ethics and integrity.

Table 5.15 shows the agreement percentage for each descriptor of leadership. Around 40% of respondents agreed that there is little or no active leadership, involvement or accountability regarding ethics and integrity and they perceived that the leaders talk down to employees, treating them like children. Moreover, 60% of them agreed that the leaders assume their private moral codes are adequate to lead the organization. The Malaysian public sector organizations therefore need to ensure that their leaders' private moral codes are inline with the organization's code of ethics.

At 25% category level, 80% of respondents think that leaders accept some responsibility for integrity, especially as it relates to standard Employee Relations and Human Resources (HR) practices. Only 40% of respondents agreed that their leaders need scripts to discuss ethics and integrity. This meant that they are of opinion that their organization's leaders understand issues on ethics and integrity well. More than half of the respondents (60%) thinks that their leaders view ethics and integrity as mainly a HR or legal function and that leaders take reactive measures rather than proactive measures in addressing ethical issues. At 75% and 100% benchmark levels, all organizations studied scored well in all items measured under these levels where 80% of respondents agreed with all the items asked. This showed that these organization's leaders view ethics and integrity as a serious matter.

The overall score for leadership dimension is 74.67%. Areas that need improvement include descriptor (7) that there should be a plan to deal with difficult ethical situations which can be seen as precedents for future cases rather than the current situation in the public sector organizations where there are more reactive cases.

Table 5.15   Leadership Descriptors Analysis (N = 83)

BM	Descriptors	(%)
0%	1. There is little or no active leadership, involvement, or accountability regarding ethics and integrity.	40
	2. The leaders assume that their private moral codes are adequate to lead the organization	60
	3. The leaders talk down to employees, treating them like children	40
	*Average score for negative worded questions.	46.67
	Average score for 0% level benchmark.	**(53.33)**
25%	4. The leaders view ethics and integrity as mainly an HR or legal function.	60
	5. The leaders accept some responsibility for integrity, especially as it relates to standard Employee Relations and Human Resources practices.	80
	6. The leaders need scripts to discuss ethics and integrity	40
	7 Reactive measures are taken to deal with difficult ethical situations without consideration of establishing internal precedents	60
	Average score for 25% level benchmark	**60**
50%	8. The leaders view promoting ethical conduct as part of their responsibilities and are held accountable for their own ethical behaviour	80
	9. Some of the leaders in the organization are active champions of ethical action and the integrity function	80
	10. The leaders view integrity as a management level function, with direct impact on the organization's bottom line.	80
	11. The leaders understand that there is a direct connection between "tone from the top" and whether the organization enjoys a positive reputation for integrity	80
	Average score for 50% level benchmark	**80**
75%	12. The leaders consistently act in ways that are consistent with the organization's value.	80
	13. The leaders often make internal and external scripted and impromptu speeches or statements related to ethics and integrity to a variety of groups.	80
	14. The board of directors' shares responsibility for integrating ethical conduct into the organisation's culture .	80
	15. Most of the leaders receive training and coaching in integrity and provide coaching about integrity to others	80
	16. Ethical awareness, analysis, and action are routinely incorporated into selection, performance evaluation, and promotion decisions.	80
	Average score for 75% level benchmark	**80**

100%	17.	Management pay, bonuses and promotions of the leaders are tied to a variety of integrity indicators.	80
	18.	Managing integrity is considered an essential leadership competency.	80
	19.	The leaders are seen as role models for ethical behaviours	80
	20..	The leaders and board members publicly support ethics and integrity initiatives, even when these initiatives are perceived to be controversial.	80
	21.	The leaders and board members share a deep-seated commitment to ethical conduxt as a foundation for the organization's culture,	80
		Average score for 100% level benchmark	**80**
Total (%) for Leadership (21 Descriptors)			**70.67**

The summary of findings for leadership dimension is presented in the Figure 5.4. Out of 21 descriptors, the organizations involved in this study had scored better than the global benchmark for descriptor 1 to 11. At 75% benchmark level, the leaders in these organizations should do better. Areas of improvement are needed for descriptor 17 to 21 where (i) Management pay, bonuses and promotions of the leaders are tied to a variety of integrity indicators; (ii) Managing integrity is considered an essential leadership competency; (iii) The leaders are seen as role models for ethical behaviours; (iv) The leaders and board members publicly support ethics and integrity initiatives, even when these initiatives are perceived to be controversial; and (v) The leaders and board members share a deep-seated commitment to ethical conduct as a foundation for the organization's culture.
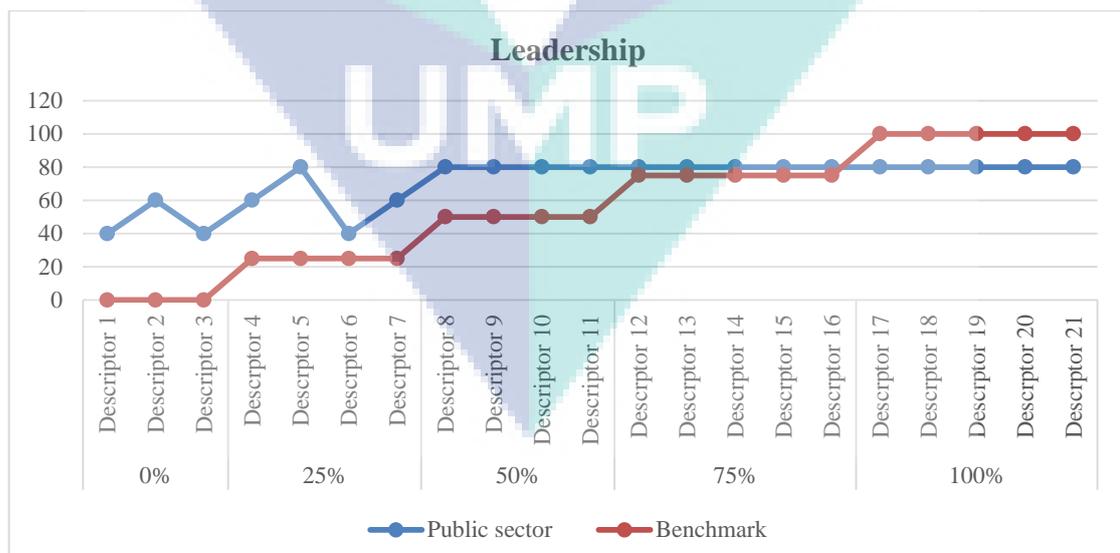
Figure 5.4   Benchmark Comparison for Descriptors of Leadership

5.8.2.3   Infrastructure

Infrastructure dimension explores the way Malaysian public sector organizations structures or organizes its ethics and integrity function so that it can carry out its goals effectively. This category covers how the ethics function is structured, staffed and resourced, as well as its formal and informal reporting relationships. This category also includes the roles and responsibilities of those individuals who are assigned to implement the ethics and integrity function.

Figure 5.5 shows the comparison of percentage scores by the organizations for each descriptor of infrastructure against the global benchmark. Quite a few numbers of descriptors scored lower than the benchmarks (descriptor 13 to 17) and some descriptors scored just slightly higher which were descriptors 7 and 9 to 12. Thus, the organization should focus on these descriptors to improve so that this dimension will score higher overall percentage.
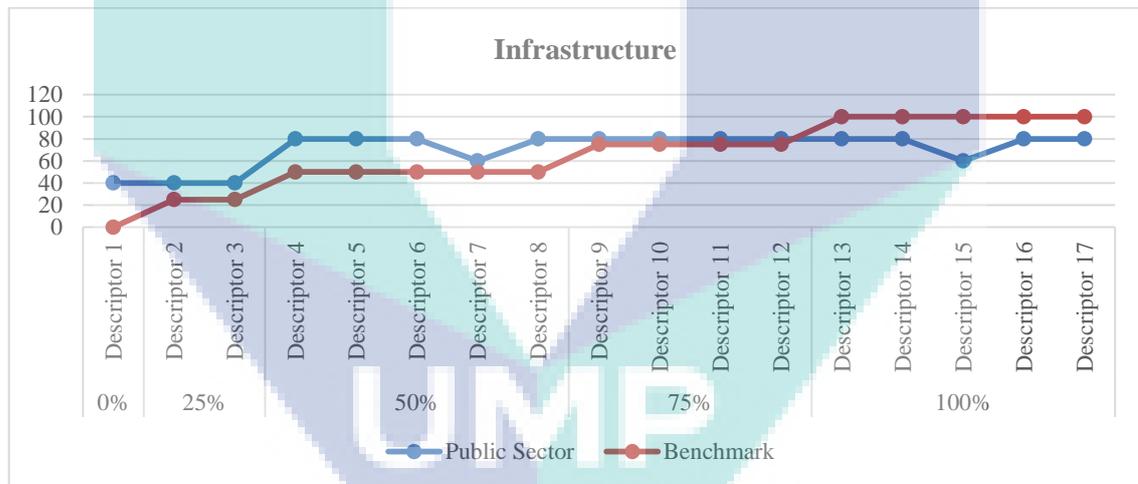
Figure 5.5   Benchmark Comparison for Descriptors of Infrastructure

As shown in Table 5.16, more than half of the respondents (60%) agreed that there is organizational infrastructure or individual responsible for integrity in their organization. This indicates that majority of the respondents acknowledge that their organization does possesses an infrastructure of ethics and integrity. Two items comprising the infrastructure at 25% category level. At this level, 40% of respondents perceived that the organizational integrity is recognized as a unique discipline requiring specialized skills, knowledge and experience. Similarly, 40% of respondents view that

integrity functions are performed as additional, secondary duties of mid level staff. At 50% level of infrastructure, five items were used to measure this level and it is expected that (i) Integrity officer reports to the top executives or to another member of the executive management team; (ii) There is an integrity officer who is supported by a dedicated integrity function; (iii) A designated budget has been allocated to cover implementation of the integrity agenda; (iv) The integrity function is subject to regular audit oversight; and (v) The integrity infrastructure encompasses all locations. Based on the findings, other items scored 80% agreement percentage from respondents except for the integrity function subject to regular audit oversight.

There are four items that are considered as benchmarked best practices at 75% level. Based on Table 5.16, around 80% of senior executive leads the ethics and integrity function, supported by a staff knowledgeable in integrity. Around 80% of respondents also agreed that adequate financial and other tangible resources are allocated annually to the integrity function. Similarly, they acknowledged that the integrity officer reports regularly to senior management on activities and results of the function, as well as annual reports about integrity activities and results are made to the board of directors by the chief executive.

At ideal 100% level of ethics and integrity environment, only 60% of respondents agreed that the integrity officer has a dual reporting relationship to senior management and the board of directors whilst 80% of respondents perceived that (i) The integrity officer is a recognized and respected member of the senior management team; (ii) The integrity officer serves as an independent and confidential integrity advisor to senior management and board directors; (iii) The integrity officer's remarks are not subject to pre-clearance by any member of senior management and (iv) The ethics and integrity initiative is fully integrated into all organizational operations.

The overall percentage of infrastructure dimension is 70%. There should be improvement on the descriptor 7 where the integrity function should be subjected to regular audit oversight. The integrity officer should also have dual reporting relationship to management and board of directors. Moreover, the organizational integrity should be recognized as a unique discipline requiring specialized skills, knowledge, and experience. Therefore, improvements need to be focused by the organizations on this matter.

Table 5.16   Infrastructure Descriptors Analysis (N = 83)

BM		Descriptors	(%)
0%	1.	There is no organizational infrastructure or individual responsible for integrity.	40
		*Average score for negative worded questions.	40
		Average score 0% level benchmark.	**(60)**
25%	2.	The integrity functions are performed as additional, secondary duties of mid-level staff.	40
	3.	The organizational integrity is not recognized as a unique discipline requiring specialized skills, knowledge, and experience.	40
		Average score 25% level benchmark	**40**
50%	4.	The integrity officer reports to the senior management, or to another member of the executive team.	80
	5.	There is an integrity officer who is supported by a dedicated integrity function.	80
	6.	A designated budget has been allocated to cover implementation of the integrity agenda	80
	7.	The integrity function is subject to regular audit oversight.	60
	8.	The integrity infrastructure encompasses all locations	80
		Average score 50% level benchmark.	**76**
75%	9.	A senior executive leads the integrity function, supported by a staff knowledgeable in integrity.	80
	10.	Adequate financial and other tangible resources are allocated annually to the integrity function.	80
	11.	The integrity officer reports regularly to senior management on activities and results of the function	80
	12.	Annual reports about integrity activities and results are made to the board of directors by the chief executive	80
		Average score 75% level benchmark	**80**
100 %	13.	The integrity officer is a recognized and respected member of the senior management team.	80
	14.	The integrity officer serves as an independent and confidential integrity advisor to senior management and board directors.	80
	15.	The integrity officer has a dual reporting relationship to senior management and the board of directors	60
	16.	The integrity officer's remarks are not subject to pre-clearance by any member of senior management.	80
	17.	The ethics and integrity initiative is fully integrated into all organizational operations.	80
		Average score 100% level benchmark	**76**
Total (%) for Infrastructure (17 Descriptors)			**70.4 0**

5.8.2.4   Legal Compliance, Policies and Rules

This dimension includes core laws, policies, rules and guidance that comprise the legal framework for Malaysian public sector organization's ethics and integrity systems. This component assesses the organization's internal framework that provides the floor for ethical behaviour. It also includes compliances with the external legal

frameworks within which the company operates. This section includes the systems and controls used to ensure and demonstrate that staffs and the organization are legally compliant. Importantly, the Malaysian public sector organizations have translated its legal commitments into actual action that is enforceable.

Table 5.17 summarizes the overall percentage of Legal Compliance, Policies and Rules for each benchmark level and the overall dimension. This dimension scored the highest overall percentage compared to other 11 dimensions. All descriptors scored 80% level of agreements by the respondents indicating that the organizations are doing very well with institutionalization of ethics and integrity in terms of legal compliance, policies and rules at the workplace.

Table 5.17   Legal Compliance, Policies and Rules Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	The organisation has not adopted any compliance policies or rules.	20
			20
		*Average score for negative worded questions.	
		Average score 0% benchmark level.	**(80)**
25%	2.	The organisation has written policies and rules about ethics, integrity, and compliance.	80
	3.	The organization has adopted a code of conduct (or code of ethics) which outlines basic guidance about legal compliance for employees.	80
	4.	The policies and rules of the organisation's code of conduct is available only in the *Bahasa Melayu* or English-language version.	80
		Average score for 25% benchmark level	**80**
50%	5.	The policies and rules that describe what employees should or should not do on behalf of the organisation are written in plain, easily understood style in the *Bahasa Melayu* or English language.	80
	6.	The policies, rules, code of ethics or code of business conduct, are available in written	80
	7.	The organisation updates regularly the policies and rules, and revises upon adoption.	80
	8.	The code of conduct is based on the organisation's core ethical values and describes the type of business conduct expected of colleagues in all interactions	80
		Average score for 50% benchmark level	**80**
75%	9.	The organisation is knowledgeable and in compliance with the laws of all jurisdictions where it operates.	80
	10.	The organisation's code of conduct specifies the mutual rights, duties, and obligations of both the organization and its employees.	80
	11.	The code covers all types of employees.	80
	12.	The organization's code of conduct is global but addresses legal variations across countries.	80

			80
	13.	The organisation's code conduct provides concrete guidance and examples of real situations.	80
		Average score for 75% benchmark level	80
100%	14.	The organisation has clearly described the ethical standards and principles expected of third parties.	80
	15.	The leaders in the organization uphold the code of conduct in everyday communication and decision-making	80
	16.	The organisation demonstrates transparency and accountability by requiring key employees to make regular disclosures concerning, for example, personal finances and conflicts of interest.	80
	17.	The organisation's code of ethics and supporting rules and policies are seen as best practice documents in the industry	80
		Average score for 100% benchmark level	80
Total (%) for Legal Compliance, Policies and Rules (17 Descriptors)			**84.00**

Figure 5.6 highlights that there are 17 descriptors for Legal Compliance, Policies and Rules dimension. Despite being the highest percentage scored, the management should be focusing on the improvement for Legal Compliance, Policies and Rules dimensions by addressing descriptors 9 to 17.
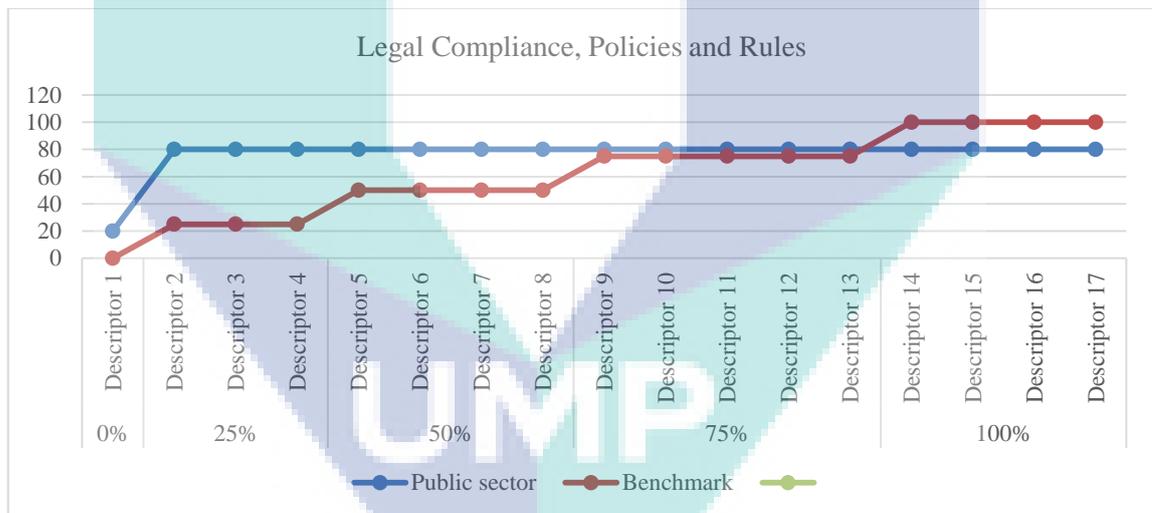
Figure 5.6   Benchmark Comparison for Descriptors of Legal Compliance, Policies and Rules

5.8.2.5   Organizational Culture

This dimension deals with the overall culture of organization and how it promotes mission, vision, structure and strategy. This section explores the degree to which Malaysian public sector organizations focus on shaping its organization's culture

where by, both written and unwritten rules that dictate how work is performed and goals reached and also whether that culture actively promotes ethical conduct.

Table 5.18 summarizes the overall percentage of organizational culture for each benchmark level and the overall dimension. At 0% level, organizational culture sees numerous issues involving: (i) The organisation does not utter, assess or even describe the organisation's culture in relationship to ethics and integrity; (ii) The organisation has a mistrusting culture and falls short on ethics and integrity; and (iii) Violations of rules and standards are justified by referring to national culture or practice. Overall, only 40% of respondents disagreed with these three items. This indicates that 80% of the organizations have a mistrusting culture and falls short on ethics and integrity and more than half of respondents agreed that violations of rules and standards are justified by referring to national culture or practice. The finding for 25% benchmark level indicating that 60% of respondents agreed that (i) Employees tend to keep low profiles in the organisation; (ii) With regard to integrity, the culture remains one of compliance and obedience to rules or laws, not values or principles; and (iii) Employees perceive a significant gap between the organisation's ethical communications and its actions. Despite that, only 40% respondents think that it is not considered safe to speak out about wrongdoings at the organisation. This means the organization culture encourages the talking about wrongdoings and unethical behaviour in the organization. Eventually, this will enhance the level of ethics and integrity in the organisation.

Four descriptors were used to describe organizational culture at the 50% level. The findings indicate that 60% of respondents agreed that the culture of the organization is regarded as relatively open while, 80% of respondents agreed that (i) The organisation has committed itself towards ethics and integrity, even if there are some shortcomings; (ii) The history and traditions of the organisation are well known; (iii) Leaders voice out and describe the organisation's culture in terms of its values, mission, and integrity commitments to stakeholders.

Meanwhile for 75% benchmark level, only 60% agreed that there are positive role models among the leaders in the organization. Regardless of that, 80% respondents believed that employees generally feel good about the organisation and its mission, commitment to social responsibility and can identify specific examples of positive ethical conduct. They also feel safe to speak out. For example, to blow the whistle if

they encounter fraud or other wrongdoings in the organisation. Besides that, the organisation is perceived to be transparent about its commitments towards ethics and integrity, and willingly to share both successes and failures with internal and external audiences. At the 100% global best practice level, the organizational culture is further refined to include the following characteristics (i) Most employees are very proud to work in the organization and would describe it as a great place to work; (ii) The employees easily identify integrity role models in the current leadership ranks as well as in the organization's past leaders; (iii) The organisation takes the long-term view, never sacrificing principles for short-term gain; (iv) The organisation describes its commitment towards ethical conduct and accountability, in its annual report or through other publicly available communication channels; and (v) Ethics and integrity are never compromised in the organisation. Based on these five descriptors, the ethics and integrity culture at Malaysian public sector organization is progressing at the right direction.

Table 5.18   Organizational Culture Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	The organisation does not utter, assess or even describe the organisation's culture in relationship to ethics and integrity.	40
	2.	The organisation has a mistrusting culture and falls short on ethics and integrity.	80
	3.	Violations of rules and standards are justified by referring to national culture or practice.	60
		* Average scocore for negative worded questions.	60
		Average score for 0% benchmark level.	**(40)**
25%	4.	Employees tend to keep low profiles in the organisation.	60
	5.	It is not considered safe to speak out about wrongdoings at the organisation.	40
	6.	With regard to integrity, the culture remains one of compliance and obedience to rules or laws, not values or principles.	60
	7.	Employees perceive a significant gap between the organisation's ethical communications and its actions.	60
		Average Score for 25% benchmark level	**55**
50%	8.	The culture of the organisation is regarded as relatively open.	60
	9.	The organisation has committed itself towards ethics and integrity, even if there are some shortcomings.	80
	10.	The history and traditions of the organisation are well known.	80
	11.	Leaders voice out and describe the organisation's culture in terms of its values, mission, and integrity commitments to	80

		stakeholders.	
		Average score for 50% benchmark level	**75**
75%	12.	There are positive role models among the leaders in the organization.	60
	13.	Employees generally feel good about the organisation and its mission, commitment to social responsibility and can identify specific examples of positive ethical conduct.	80
	14.	Employees feel safe to speak out (for example, to blow the whistle) if they encounter fraud or other wrongdoing in the organisation.	80
	15.	The organisation is transparent about its commitments towards ethics and integrity, and willingly to share both successes and failures with internal and external audiences.	80
		Average score for 75% benchmark level	**75**
100%	16.	Most employees are very proud to work in the organization and would describe it as a great place to work	80
	17.	The employees easily identify integrity role models in the current leadership ranks as well as in the organization's past leaders.	80
	18.	The organisation takes the long-term view, never sacrificing principles for short-term gain.	80
	19.	The organisation describes its commitment towards ethical conduct and accountability, in its annual report or through other publicly available communication channels.	80
	20.	Ethics and integrity are never compromised in the organisation.	80
		Average score for 100% benchmark level	80
Total (%) for Organizational Culture (20 Descriptors)			**71.67**

As shown in Figure 5.7, the management should really focus on the improvement of descriptor 12 showing 75% category level and this is to ensure that there are positive role models among the leaders in the organization along with the improvement needed to be done on descriptors 16 to 20.

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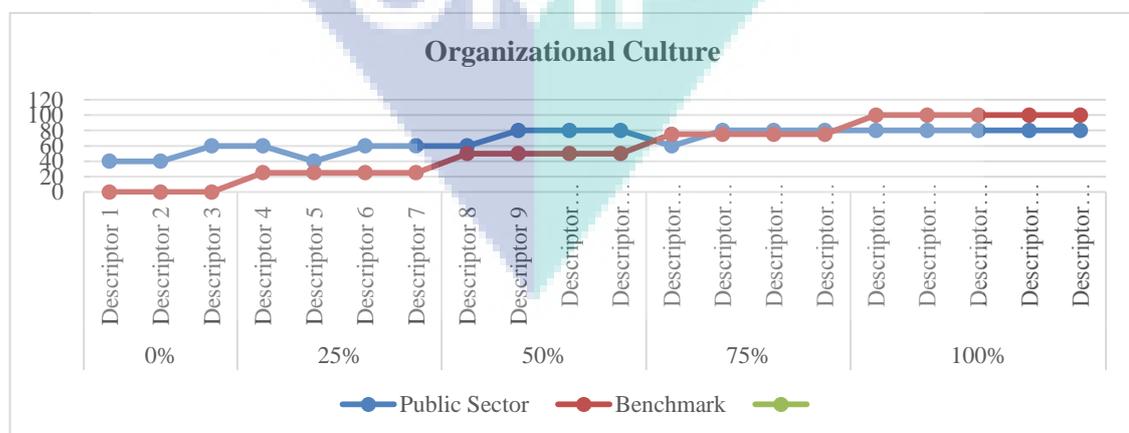
Figure 5.7   Benchmark Comparison for Descriptors of Organizational
Culture

5.8.2.6   Disciplinary and Reward Measures

Disciplinary and reward measures dimension attempt to examine how Malaysian public sector organizations set and enforce its standards for ethical conduct and behaving with integrity. This section also addresses rewards and punishments, incentives that promote ethical behaviour, and disciplinary action taken to limit or punish unethical work conduct. This dimension includes how the organization promotes ethical conduct through its performance appraisal process and whether ethical conduct is linked to compensation and/or other types of non-monetary benefits. Figure 5.8 shows that there are 17 descriptors for this dimension. Descriptors 8 and 14 to 17 needs crucial attention of top management. Even though descriptors 9 to 13 are slightly higher than benchmark level, it would also be good if the management can address these items to achieve better percentage scores.
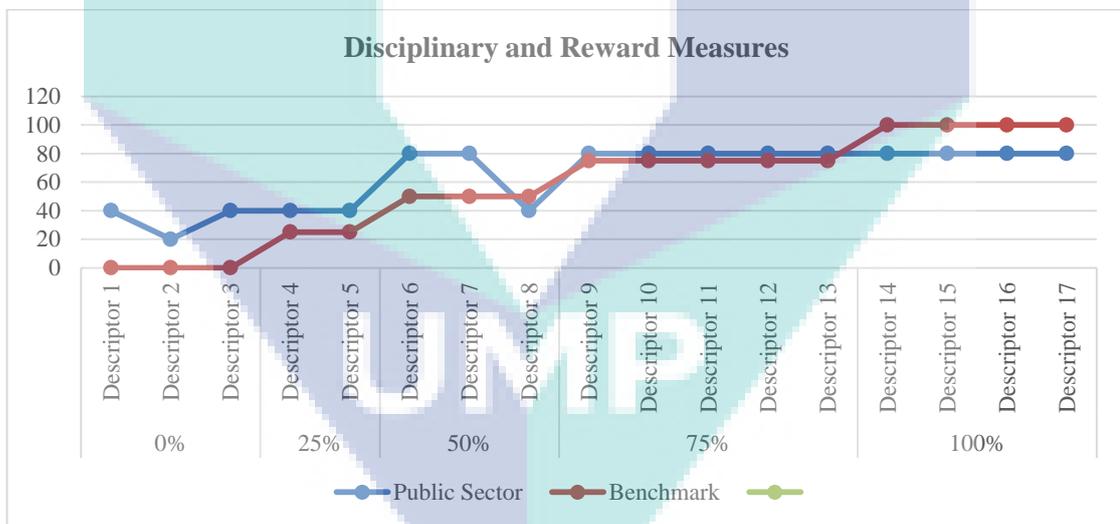
Figure 5.8   Benchmark Comparison for Descriptors of Disciplinary and
Reward Measures

Table 5.19 summarizes the overall percentage of disciplinary and reward measures for each benchmark level and the overall dimension. From the table, it shows that 50% benchmark level, the organizations need to improve the descriptor (9) which is the respondents perceived that their organizations have adopted a formal performance appraisal system, but the system does not specifically include ethics and integrity

among its measures. It means that the Malaysian public sector organizations need to improve their current performance appraisal system and integrate the elements of ethics and integrity in their performance appraisal index.

At 0% level, Malaysian public sector organizations have some issues in addressing breaches of ethics or integrity in their policy and the organizations do not really have explicit system to reward ethical action. Around 40% of respondents agreed that consequences from unethical behaviour in the organisation are only addressed if it adversely impacts the business results and that unfair treatment especially by management in the organisation is not directly addressed.

Meanwhile at 50% category level, four descriptors were used to describe the disciplinary and rewards measures. The findings indicate that 80% of the respondents agreed that (i) The organisation has explicit policies for breaches of integrity; (ii) The organisation has in place formal investigative procedures that result in prompt, thorough, fair, and effective fact-finding; and (iii) The organisation usually imposes disciplinary measures when appropriate. The last descriptor for this level like a formal performance appraisal system does not include ethics and integrity measures, only been agreed by 40% of respondents.

For 75% category level, all four descriptors scored 80% agreement percentage from total respondents. This indicated that (i) The organisation supports appropriate discipline by recognising and rewarding ethical behaviour; (ii) Leaders in the organisation are experienced in taking disciplinary measures, and reward good conduct; (iii) The performance of management system consists of employee behaviour that fails or meets the expectations of the organisation's value and ethical principles; and (iv) The organisation takes disciplinary action against high-performing, senior leaders who have acted unethically.

At the 100% level records global best practices that should be benchmarked for this category. Most importantly at the 100% level, the organization is considered serious about ethics and integrity and thus should adapt all these practices (i) The organisation should be fair in the internal administration of justice for example, dispute resolution system; (ii) The organisation's policies and guidelines for discipline and reward are regarded as "best practice"; (iii) Ethical conduct is seen as critical elements for

promotion and advancement at all levels in the organisation; and (iv) Leaders understand what motivates employees to act ethically and have the training to motivate ethical behaviour.

Table 5.19   Disciplinary and Reward Measures Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	The organisation has no policy addressing breaches of ethics or integrity.	40
	2.	The organisation has no explicit disciplinary action for wrongdoing or misconduct.	20
	3.	The organisation has no explicit system to reward ethical action.	40
		*Average score for negative worded questions.	33.33
		Average score for 0% level benchmark.	**(66.67)**
25%	4.	Consequences from unethical behaviour in the organisation are only addressed if it adversely impacts the business results	40
	5.	Unfair treatment especially by management in the organisation is not directly addressed	40
		Average score for 25% level benchmark	**40**
50%	6.	The organisation has explicit policies for breaches of integrity.	80
	7.	The organisation has in place formal investigative procedures that result in prompt, thorough, fair, and effective fact-finding	80
	8.	The organisation usually imposes disciplinary measures when appropriate.	80
	9.	A formal performance appraisal system does not include ethics and integrity measures.	40
		Average score for 50% level benchmark	**70**
75%	10.	The organisation supports appropriate discipline by recognising and rewarding ethical behaviour.	80
	11.	Leaders in the organisation are experienced in taking disciplinary measures, and reward good conduct	80
	12.	The performance of management system consists of employee behaviour that fails or meets the expectations of the organisation's value and ethical principles.	80
	13.	The organisation takes disciplinary action against high-performing, senior leaders who have acted unethically.	80
		Average score for 75% level benchmark	**80**
100%	14.	The organisation is regarded as being fair in the internal administration of justice (for example, dispute resolution system).	80
	15.	The organisation's policies and guidelines are for discipline and reward and regarded as "best practice".	80
	16.	Ethical conduct is seen as critical elements for promotion and advancement at all levels in the organisation.	80
	17.	Leaders understand what motivates employees to act ethically and have the training to motivate ethical behaviour.	80
		Average score for 100% level benchmark	**80**
Total (%) for Disciplinary and Reward Measures (17 Descriptors)			**71.33**

5.8.2.7   Measurement, Research and Assessment

This dimension evaluates how ethics and integrity are measured, whether the company undertakes research and perform as ethics assessments to support ethics strategies that create a culture of ethics and integrity, and the organization's assessment processes around ethics, integrity and culture of Malaysian public sector organizations. This category includes organization's commitment towards continuous improvement based on benchmarking and other evaluation methodologies.

As shown in Table 5.20, at 0% level for measurement, research and assessment dimension, it was found that 40% of respondents agreed that there are no systems or practices to gather information about employee or stakeholder perceptions of the organisation's reputation. For the 25% category level, three descriptors were used to describe this dimension. The findings indicated that 80% respondents agreed with all these three items which are (i) Some feedback on ethics and integrity are solicited in general employee and customer surveys, market research, internal reviews, and climate studies; (ii) External best practices are studied; and (iii) The ethics professionals in the organisation such as, integrity officers are expected to stay current with industry-wide developments in the field.

Likewise, all items measuring 50% and 75% category levels for this dimension also gained 80% respondent's agreement. These items are (i) Specific instruments and techniques are used to assess progress and impact of specific ethical concerns; (ii) The organisation disseminates its evaluation results on an annual basis; (iii) Input from internal and external stakeholders shape initiatives, monitoring, and evaluation of ethics and integrity; (iv) Internal and external best practices are studied and benchmarking with similar organizations is undertaken; (v) The organisation participates in third-party evaluations, surveys and studies, focused on integrity awareness, ethical action, and ethical leadership; (vi) The organisation monitors how employees view the internal environment for ethical action; (vii) The organisation regularly reviews ethics benchmarks, both within its industry/sector and across industries/sectors; and (viii) The organisation fully aware of the cost of non-compliance.

Table 5.20   Measurement, Research and Assessment Descriptors Analysis (N = 83)

BM	Descriptors	(%)
0%	1. There are no systems or practices to gather information about employee or stakeholder perceptions of the organisation's reputation.	40
		40
	*Average score for negative worded questions.	
	Average score for 0% level benchmark.	**(60)**
25%	2. Some feedback on ethics and integrity are solicited in general employee and customer surveys, market research, internal reviews, and climate studies.	80
	3. External best practices are studied.	80
	4. The ethics professionals in the organisation (such as, integrity officers) are expected to stay current with industry-wide developments in the field.	80
	Avaerage score for 25% level benchmark	**80**
50%	5. Specific instruments and techniques are used to assess progress and impact of specific ethical concerns.	80
	6. The organisation disseminates its evaluation results on an annual basis.	80
	7. Input from internal and external stakeholders shape initiatives, monitoring, and evaluation of ethics and integrity	80
	8. Internal and external best practices are studied and benchmarking with similar organizations is undertaken	80
	Average score for 50% level benchmark	**80**
75%	9. The organisation participates in third-party evaluations, surveys and studies, focused on integrity awareness, ethical action, and ethical leadership.	80
	10. The organisation monitors how employees view the internal environment for ethical action.	80
	11. The organisation regularly reviews ethics benchmarks, both within its industry/sector and across industries/sectors.	80
	12. The organisation fully aware of the cost of non-compliance.	80
	Average score for 75% level benchmark	**80**
100%	13. Ethics and integrity are regularly incorporated into organisational culture surveys and assessments.	80
	14. The organisation is fully transparent with its external stakeholders on the activities, results, and outcomes of its ethics measurement and research.	80
	15. The organisation publishes annual reports on ethics and integrity.	80
	16. Assessments that focus on ethical conduct, legal compliance, leadership commitment to ethical action, and reputational risk exposure are performed regularly.	60
	17. The organisation communicates the impact and return on the investment of all components of its integrity initiatives	80
	Average score for 100% level benchmark	80
Total (%) for Measurement, Research and Assessment (17 Descriptors)		**79.20**

As shown in Figure 5.9, at 100% benchmark level for measurement, research and assessment dimension, Malaysian public sector organizations need to improve the descriptor 16 whereby only 60% of the respondents agreed that regular assessments focusing on ethical conduct, legal compliance, leadership commitment to ethical action, and reputational risk exposure are performed. Descriptors 13, 14, 15 and 17 also needed to be improved by the organizations.
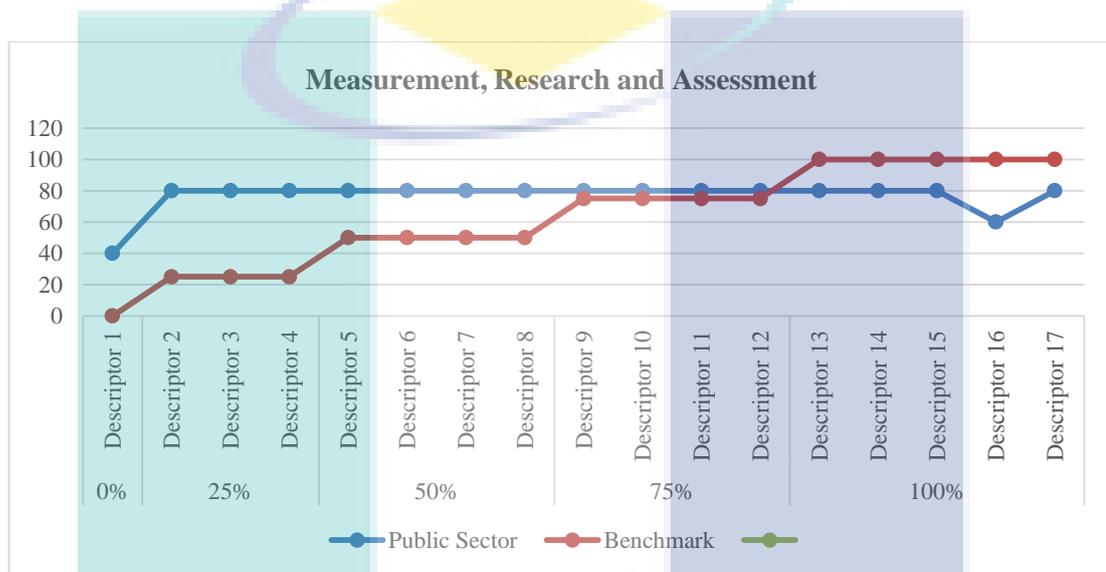
Figure 5.9   Benchmark Comparison for Descriptors of Measurement, Research and Assessment

5.8.2.8   Confidential Advices and Support

Confidential advices and support dimension describe how Malaysian public sector organization provides confidential, neutral, professional and independent ethics and integrity advice to staffs, supervisors, managers, executives, members of governing bodies and other stakeholders. The findings showed that all 16 descriptors scored higher percentage compared to global benchmarks level except for descriptors 13 to 16, as shown in Figure 5.10. Thus, the management should be focusing on improving these items.
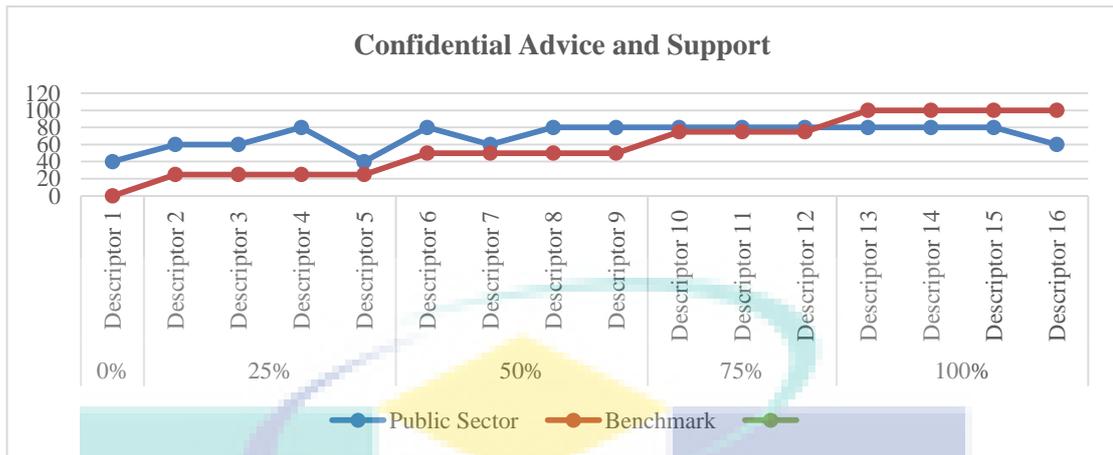
Figure 5.10 Benchmark Comparison for Descriptors of Confidential Advices
and Support

Table 5.21 summarizes the overall percentage of confidential advice and support for each benchmark level and the overall dimension. This dimension has average score of 74%. From the findings, at 0% category level for confidential advices and support, 40% respondents agreed that there is no special resource available for those who seek ethics advice confidentially. Meanwhile at 25% benchmark level, only descriptor 4 scored 80% percentage of agreement stating that employees are encouraged to speak directly to their leaders if they have questions about ethics, integrity, or compliance. However, only 60% of respondents agreed that the organisation draws minimal distinctions between seeking ethical advice versus seeking legal advice, and that the organisation's chief legal officer is viewed as the ultimate source for best ethical advice. Furthermore, the management should really focus on improving descriptor 5 in which only 40% respondents agreed that the organisation does not guarantee that ethics advice is confidential. This may become hindrance for the employees to seek ethics advice from the officer.

Meanwhile, at 50%, 75% and 100% benchmark levels, all descriptors scored 80% respondent's agreement except for two descriptors that are descriptor 7 and 16 which only 60% respondents agreed on the statements. These two statements are (i) This private office is outside of the operational chain of command; and (ii) The integrity officer is authorised to issue "safe harbour" letters so that employees, who are seeking for advice, are reassured that they cannot be disciplined because they relied upon that advice.

Table 5.21   Confidential Advices and Support Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	There is no special resource available for those who seek ethics advice confidentially.	40
		* Average score for negative worded questions.	40
		Average score for 0% level benchmark.	**(60)**
25%	2.	The organisation draws minimal distinctions between seeking ethical advice versus seeking legal advice.	60
	3.	The organisation's chief legal officer is viewed as the ultimate source for best ethical advice.	60
	4.	Employees are encouraged to speak directly to their leaders if they have questions about ethics, integrity, or compliance.	80
	5.	The organisation does not guarantee that ethics advice is confidential.	40
		Average score for 25% level benchmark	**75**
50%	6.	The organisation has a private office to provide ethics advice and counselling.	80
	7.	This private office is outside of the operational chain of command.	60
	8.	All calls and inquiries seeking ethics and integrity advice are handled in confidence.	80
	9.	Integrity officer is encouraged to cross check his/her advice with the legal officer.	80
		Average score for 50% level benchmark	**80**
75%	10.	All employees are aware of the integrity functions in the organisation and its availability to provide confidential advice when needed.	80
	11.	Employees who seek confidential ethics advice and fully disclose all facts and circumstances can rely upon the advice they are provided.	80
	12.	The organisation's policies prohibit retaliation or retribution and protect employees who seek for confidential ethics advice	80
		Average score for 75% level benchmark	**80**
100%	13.	All levels of employees are comfortable seeking for ethics advice independently, confidentially and neutrally.	80
	14.	Leaders actively encourage staffs to obtain ethics advice whenever he/she perceives or believes that an ethical issue has arisen.	80
	15.	The confidentiality of the ethics advisory process is respected at all levels of the organisation.	80
	16.	The integrity officer is authorised to issue "safe harbour" letters so that employees, who are seeking for advice, are reassured that they cannot be disciplined because they relied upon that advice.	60
		Average score for 100% level benchmark	**75**
Total (%) for Confidential Advices and Support (16 Descriptors)			**74.00**

5.8.2.9   Ethics Training and Education

Ethics training and education dimension explores ethics and integrity awareness, skill-building training and education, and the integration of such training into the overall development of all staff. This dimension includes the provision of ethics related training and skill building throughout the life cycle of staff members, and the degree to which these initiatives are integrated into training commitments of Malaysian public sector organizations. Figure 5.11 shows the comparison of the percentage scores by the Malaysian public sector organizations against the benchmark scores. Almost half of the descriptors need to be improved by the management especially descriptors 15 to 18.
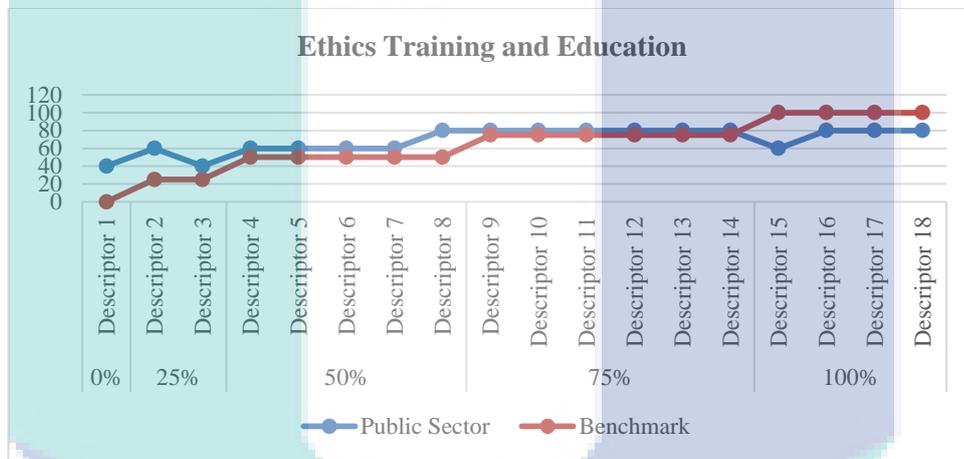
Figure 5.11   Benchmark Comparison for Descriptors of Ethics, Training and Education

Table 5.22 summarizes the overall percentage of ethics training and education dimension with an average score of 69.80%. At 0% category level for this dimension, there is only one descriptor. Based on the findings, 60% of the respondents agreed that there is formal integrity education provided to employees or other stakeholders. At 25% category level, 60% of respondents agreed that training programs on integrity are brief and focus on informing employees about policies and meeting legal requirements. Another descriptor of 25% level showed that 60% of person who oversees designing and delivering training, do have specific expertise in integrity.

On the other hand, at 50% category level, it is revealed that only 60% of respondents agreed that (i) Integrity training is provided, but it is offered as a stand-alone course rather than being integrated with the overall training curriculum; (ii) Training focuses more on rules and the organisation's expectations than on integrity analysis; (iii) More integrity training is delivered through self-study rather than delivered by instructor; and (iv) Integrity training occurs at new hire and upon promotion to management department. Around 80% of respondents agreed that leaders in the organisation are expected to conduct training as part of team meetings using provided instructor guides or toolkits.

At 75% benchmark level, 80% of the respondents agreed with all six descriptors measuring this level that are (i) The organisation exposes employee with relevant cases to assists them in ethical problem solving; (ii) The organisation has adopted a specific integrity decision-making methodology, tied to its core ethical values, that enables employees to solve ethical dilemmas; (iii) Employees who are directly involved in promoting integrity culture are given additional support and training., (iv) Integrity is included in various trainings organised by the organisation; (v) Senior managers endorse and voluntarily attend integrity training; and (vi) The function of integrity staffs is to help design, develop, deliver, and reinforce learning from the training.

The global best practices are benchmarked at the 100% level, however none of the items scored 100%. If the Malaysian public sector organizations are serious about ethics and integrity, they must adopt the following practices (i) The organizations should provide minimum number of state-of-the-art integrity training per year to all board members, executives, managers, supervisors, staffs and agents, and establishes a minimum number of ethics training hours to be completed annually for each category of learner; (ii) Integrity training should focus on enhancing ethical awareness, ethical decision-making, ethical leadership, and personal accountability is integrated into the organization's general educational curriculum; (iii) Ethics and integrity training should be formally evaluated for effectiveness, and constantly updated and improved; and (iv) The organisation should be teaming up with others in the industry, communities, and/or academia to sponsor research into ethics training effectiveness and evaluation methodologies.

Table 5.22   Ethics, Training and Education Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	There is no formal integrity education provided to employees or other stakeholders.	40
		* Average score for negative worded questions.	40
		Average score for 0% level benchmark.	**(60)**
25%	2.	Training programs on integrity are brief and focus on informing employees about policies and meeting legal requirements.	60
	3.	Person who is in charge of designing and delivering training do not have specific expertise in integrity.	40
		Average score for 25% level benchmark	**50**
50%	4.	Integrity training is provided, but it is offered as a stand-alone course rather than being integrated with the overall training curriculum.	60
	5.	Training focuses more on rules and the organisation's expectations than on integrity analysis.	60
	6.	More integrity training is delivered through self-study rather than delivered by instructor	60
	7.	Integrity training occurs at new hire and upon promotion to management department.	60
	8.	Leaders in the organisation are expected to conduct training as part of team meetings using provided instructor guides or toolkits.	80
		Average score for 50% level benchmark	**64**
75%	9.	The organisation exposes employee with relevant cases to assists them in ethical problem solving.	80
	10.	The organisation has adopted a specific integrity decision-making methodology, tied to its core ethical values, that enables employees to solve ethical dilemmas.	80
	11.	Employees who are directly involved in promoting integrity culture are given additional support and training.	80
	12.	Integrity is included in various trainings organised by the organisation.	80
	13.	Senior managers endorse and voluntarily attend integrity training.	80
	14.	The function of integrity staffs is to help design, develop, deliver, and reinforce learning from the training.	80
		Average score for 75% level benchmark	**80**
100%	15.	The organisation provides minimum number of state-of-the-art integrity training per year to all board members and employees.	60
	16.	Integrity training is integrated into the organisation's staff development program.	80
	17.	Integrity training is formally evaluated for effectiveness, and constantly updated and improved.	80
	18.	The organisation collaborates with other stakeholders to improve its integrity training.	80
		Average score for 100% benchmark level	**75**
Total (%) for Ethics, Training and Education (18 Descriptors)			**69.80**

5.8.2.10 Ethics Communication

This section describes how the ethics and integrity initiative is articulated and promoted, both internally and externally. This category covers how the Malaysian public sector organizations define its stakeholders and how it gears its key messages to distinct audiences. There are a total of 18 descriptors measuring this dimension as shown in Figure 5.12. Only 8 descriptors scored higher percentage compared to benchmark level. Four descriptors scored slightly higher while seven descriptors scored lower than the benchmark level. Thus, the management should focus on these critical items to ensure that ethics communication are effective and efficient in their organization.
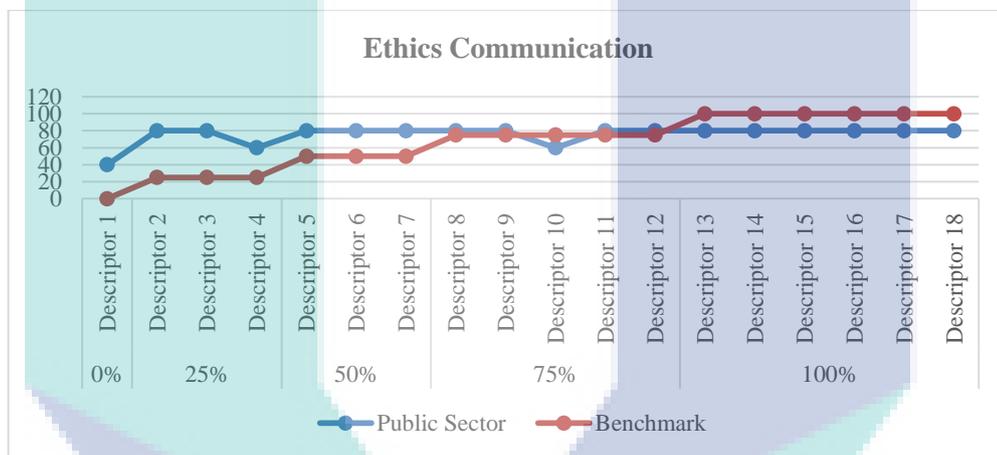
Figure 5.12   Benchmark Comparison for Descriptors of Ethics Communication

Table 5.23 summarizes the overall percentage for each benchmark level and the average percentage score for ethics communication dimension. At 0% level, 40% of respondents agreed that there are no formal communications or discussions about integrity. On the other hand, at 25% category level, 80% of respondents agreed that some of the managers talk about integrity informally or on an ad hoc basis, and that someone in Human Resources or management occasionally reminds employees about policies and compliance requirements. However, only 60% agreed that website information or static printed literature about integrity is available. At 50%, 75% and 100% benchmark levels, all descriptors scored 80% for the respondents' agreement except for descriptor 10 where only 60% of respondents agreed that the organisation

publishes an annual report about its integrity programmes and distributes this report both inside and outside of the organisation.

Table 5.23   Ethics Communication Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	There are no formal communications or discussions about integrity.	40
			40
		*Average score for negative worded questions.	
		Average score for 0% level benchmark.	**(60)**
25%	2.	Some of the managers talk about integrity informally or on an ad hoc basis.	80
	3.	Someone in Human Resources or management occasionally reminds employees about policies and compliance requirements.	80
	4.	Website information (or static printed literature) is available about integrity.	60
		Average score for 25% level benchmark	**73.33**
50%	5.	The organisation sponsors a forum for employees to discuss integrity issues and to provide input to the organisation.	80
	6.	Employees learn about the organisation's integrity values from variety of ways e.g. website, newsletter, e-mails etc.	80
	7.	Integrity issues are regularly included in the organizational communication channels	80
		Average score for 50% level benchmark	**80**
75%	8.	All employees have access to organisational website on vision, goals, and results regarding integrity	80
	9.	The organisation conducts outreach to its stakeholders in an effort to promote transparency and integrity	80
	10.	The organisation publishes an annual report about its integrity programmes and distributes this report both inside and outside of the organisation.	60
	11.	The leaders promote the organisation's vision and emphasize integrity in their internal and external speeches	80
	12.	The main integrity issues are routinely included in the organisation's communication channels.	80
		Average score for 75% level benchmark	**76**
100%	13.	Communicating ethical conduct and integrity is an important aspect of promoting the reputation of the organisation.	80
	14.	The organisation sponsors events that promote and increase awareness on ethical business conduct.	80
	15.	The organisation consistently highlights integrity and share successes in both its internal and external communications	80
	16.	The leaders regularly speak about integrity commitments, challenges, and successes and encourage feedback on their actions	80
	17.	The leaders are willing to engage in conversations that explore integrity issues that they have faced.	80
	18.	The organisation promotes transparency related to all of its activities.	80
		Average score for 100% level benchmark	**80**
Total (%) for Ethics Communication (18 Descriptors)			**77.87**

5.8.2.11 Whistle Blowing

Whistleblowing dimension explores how the Malaysian public sector organizations encourage individuals (both internal and external to the entity) to speak up and make reports on questionable conduct. This dimension explores the methods and protections offered to individuals who wish to make their organization aware of possible unethical behaviour, misconduct or any illegal actions. It includes the making of both confidential and anonymous reports and the systems used by the organization to protect whistle blowers from retaliation.

Table 5.24 shows that whistleblowing dimension scored more than 75% average score. At 50% and 75% category level, all descriptors scored 80% on respondent's agreement. However, at 0% level, 40% of respondents agreed that employees are not encouraged to speak up or bring concerns or complaints to the attention of management, and that organisational policies do not highlight on protecting employees from retaliation or retribution. At 25% category level, it is surprising to see that 100% of respondents agreed that the organisation does not encourage or support anonymous complaint regarding unethical behaviour. This may indicate that the organization encourages employees to be honestly reporting the misconduct or unethical behaviours by stating their identity. Around 80% respondents agreed that the employees are directed to inform their manager or supervisor about unethical behaviour or misconduct while only 40% respondents agreed that the organisation has a policy that encourages employees to follow the "chain of command" when facing workplace issues.

The 100% level records global best practices that should be benchmarked for whistleblowing dimension. Aound 80% respondents agreed that employees are encouraged to speak up and bring forward their concerns through confidential channels provided by the organization, as well as, both complainants and complainer receive protection in right process according to procedure, which includes (a) confidentiality; (b) opportunity to present witness and evidence; (c) opportunity to be heard and respond; and (d) opportunity to be represented by a legal counsel. To reach higher percentage level, the improvements needs to be made for descriptor 17 and 18 where the supervisors and managers should receive training on how to recognize and prevent retaliation, and that victims of retaliation should be fully compensated for losses.

Table 5.24   Whistle Blowing Descriptors Analysis (N = 83)

BM	Descriptors	(%)
0%	1. Employees are not encouraged to speak up or bring concerns or complaints to the attention of management.	40
	2. Organisational policies do not highlight on protecting employees from retaliation or retribution.	40
	*Average score for negative worded questions.	40
	Average score for 0% level benchmark.	**(60)**
25%	3. The employees are directed to inform their manager or supervisor about unethical behaviour or misconduct	80
	4. The organisation has a policy that encourages employees to follow the "chain of command" when facing workplace issues	40
	5. The organisation does not encourage or support anonymous' complaint regarding unethical behaviour.	100
	Average score for 25% level benchmark	**73.33**
50%	6. The organisation offers a channel where employees can bring up concerns or complaints regarding unethical behaviour or misconduct.	80
	7. The organisation promises some measure of confidentiality in solving concerns regarding ethics and integrity issues at workplace	80
	8. A "hotline" or "helpline" service provides channels for both anonymous as well as confidential complaints.	80
	9. Calls reported to the hotline or helpline are evaluated by the integrity officer to determine whether they require follow-up, investigation, or solution.	80
	10 Retaliation and retribution against those who speak up is specifically prohibited	80
	Average score for 50% level benchamrk	**80**
75%	11. Retaliation and retribution against those who speak up is specifically prohibited.	80
	12. The employees receive information guidelines about how, when, and why to call the hotline or helpline.	80
	13. Summary of data is publicly disclosed in regular basis describing the type of matters that have been reported and the outcome of those matters.	80
	14. There is a single standard or set of rules that controls how internal investigations and fact-finding will be conducted	80
	Average score for 75% level benchamrk	**80**
100%	15. Employees are encouraged to speak up and bring forward their concerns through confidential channels provided by the organization.	80
	16. Both complainants and complainee receive protection in right process according to procedure, including (a) confidentiality; (b) opportunity to present witness and evidence; (c) opportunity to be heard and respond; and (d) opportunity to be represented by a legal counsel.	80
	17. The supervisors and managers receive training on how to recognize and prevent retaliation. /	60
	18. Victims of retaliation will be fully compensated for losses	60
	Averag score for 100% level benchmark	**70**
Total (%) for Whistle Blowing (18 Descriptors)		**75.67**

Figure 5.13 shows the comparison of percentage scores by public sector organizations involved in this study against the global benchmark level. The management should put emphasis on descriptor 13 and 15 to 18 if they are taking ethics and integrity as a serious matter.
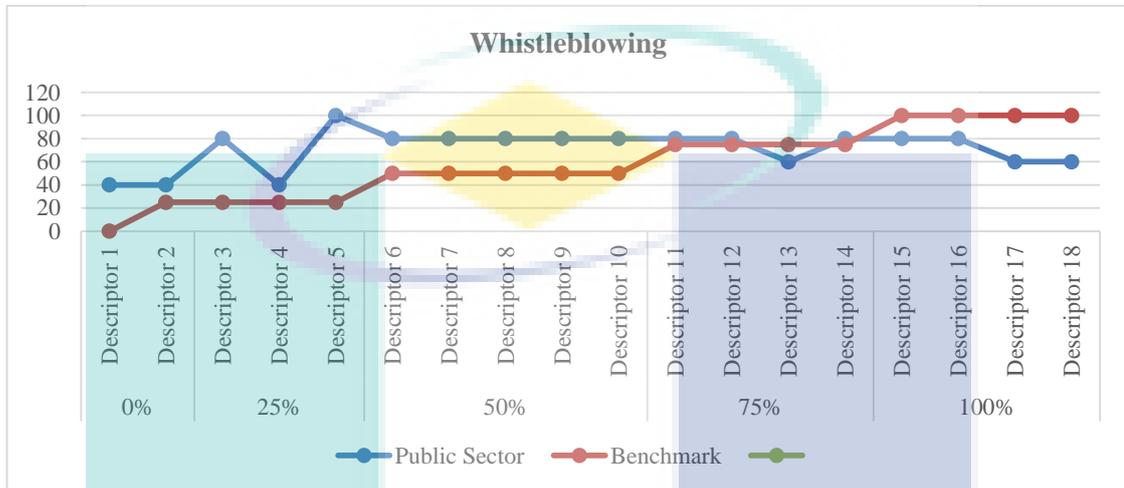
Figure 5.13   Benchmark Comparison for Descriptors of Whistle Blowing

5.8.2.12   Accountability

Accountability dimension can be described as mechanisms intended to ensure that that governing institutions and personnel faithfully perform the duties they owe to citizens, businesses, and other stakeholders.

Figure 5.14 shows the comparison between percentage scores by the public sector organizations with the global benchmark. Descriptor 6 to 10 need improvement if the organizations is to ensure its level of ethics and integrity is high.
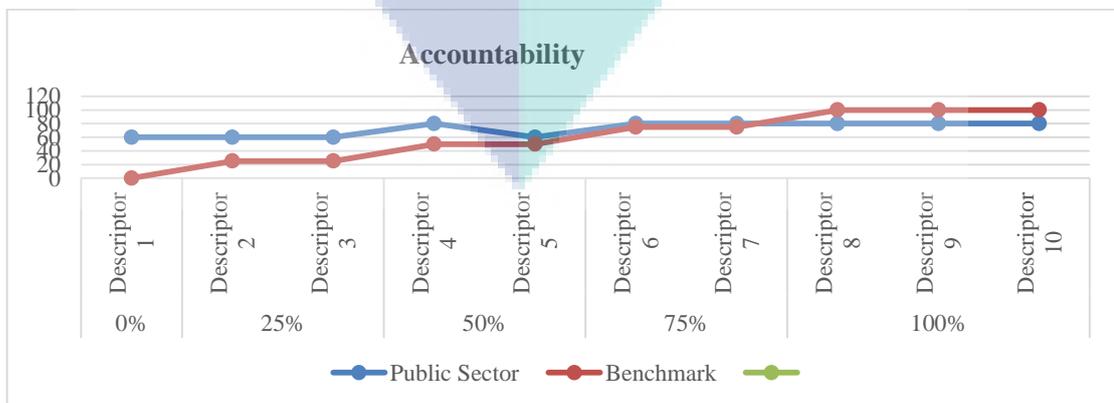
Figure 5.14   Benchmark Comparison for Descriptors of Accountability

Table   5.25 shows the percentage score for all 10 descriptors measuring the accountability for each category level and the overall average dimension score. At 0% category level, 60% respondents agreed that there is no or very limited disclosure of activities including financial performance to the relevant stakeholders. Similarly, 60% of respondents agreed that (i) The organisation simply reacts or responds to audit/inquiry officer; (ii) The organisation discloses information when the disclosure serves its interest; and (iii) The organisation tries to disclose additional information beyond the basic information. Remaining descriptors showed that 80% of respondents agreed with respective items.

Table 5.25   Accountability Descriptors Analysis (N = 83)

BM	Descriptors		(%)
0%	1.	There is no or very limited disclosure of activities including financial performance to the relevant stakeholders.	60
		*Average score for negative worded questions.	60
		Average score for 0% level benchmark.	**(40)**
25%	2.	The organisation simply reacts or responds to audit/inquiry officer.	60
	3.	The organisation discloses information when the disclosure serves its interest.	60
		Average score for 25% level benchmark	**60**
50%	4.	The organisation discloses basic information to public regarding organisation's visions, missions, goals, policies, customer charters and activities.	80
	5.	The organisation makes an effort to disclose additional information beyond the basic information.	60
		Averge score for 50% level benchmark	**70**
75%	6.	The organisation implements quality processes that will allow disclosure, evaluation and feedback for continuous improvement.	80
	7.	The organisation uses ICT and other social media to disclose relevant information as a way to engage the stakeholders	80
		Average score for 75% level benchmark	**80**
100%	8.	The organisation informs thing that has been verified by credible and reputable independent parties.	80
	9.	The organisation is accountable to comply with procedure.	80
	10.	The organisation complies with the provisions of the Personal Data Protection Act.	80
		Average score for 100% level benchmark	**80**
Total (%) for Accountability (10 Descriptors)			**70.00**

5.9 Summary of Results and Findings

Table 5.26 summarizes the results of hypotheses testing on the relationship between independent variables like quality of chief integrity officer and ethical climate with the dependent variable such as the level of ethics and integrity as well as the relationship between the level of ethics and integrity with the outcome variable like organizational commitment.

Table 5.26   Summary of Hypotheses Testing

Hypothesis Statement		Results
H_1:	There is significant relationship between quality of chief integrity officer with the level of ethics and integrity.	Accepted
H_{1a}:	There is significant relationship between independence of the chief integrity officer with the level of ethics and integrity.	Rejected
H_{1b}:	There is significant relationship between competence of the chief integrity officer with the level of ethics and integrity.	Accepted
H_{1c}:	There is significant relationship between work performance of the chief integrity officer with the level of ethics and integrity.	Accepted
H_2:	There in significant relationship between ethical climate with the level of ethics and integrity.	Accepted

Table 5.27 summarized the findings of the crosstabulation and chi square test on the variables against the demographic variables used in this study.

Table 5.27   Overall Findings of Crosstabulation and Chi-Square Test

Variables	Demographic Factors	Result
Quality of Chief Integrity Officer	Age, gender, race, level of education and professional certification related to ethics and integrity	No
	Position as head of integrity officer	Yes
Ethical Climate	Age, gender, race, position as head of integrity officer, level of education and professional certification related to ethics and integrity	No

5.10 Chapter Summary

This chapter presented the findings of the study which include response rate, demographic profile, descriptive statistics, goodness of measures and multiple regression results. Overall, the model depicting the framework representing the interrelations between the variables of study was supported by data. The hypotheses were found to be supported by the various tests conducted. Thus, it provides confidence in the recommendations to be discussed in the next chapter.

This chapter also presented the additional cross tab and chi-square analysis of demographics between independent variable, dependence variable and outcome variable. Meanwhile, additional analysis presented in the cobweb analysis indicates the overall score and the score for each 12 dimensions for the level of ethics and integrity.
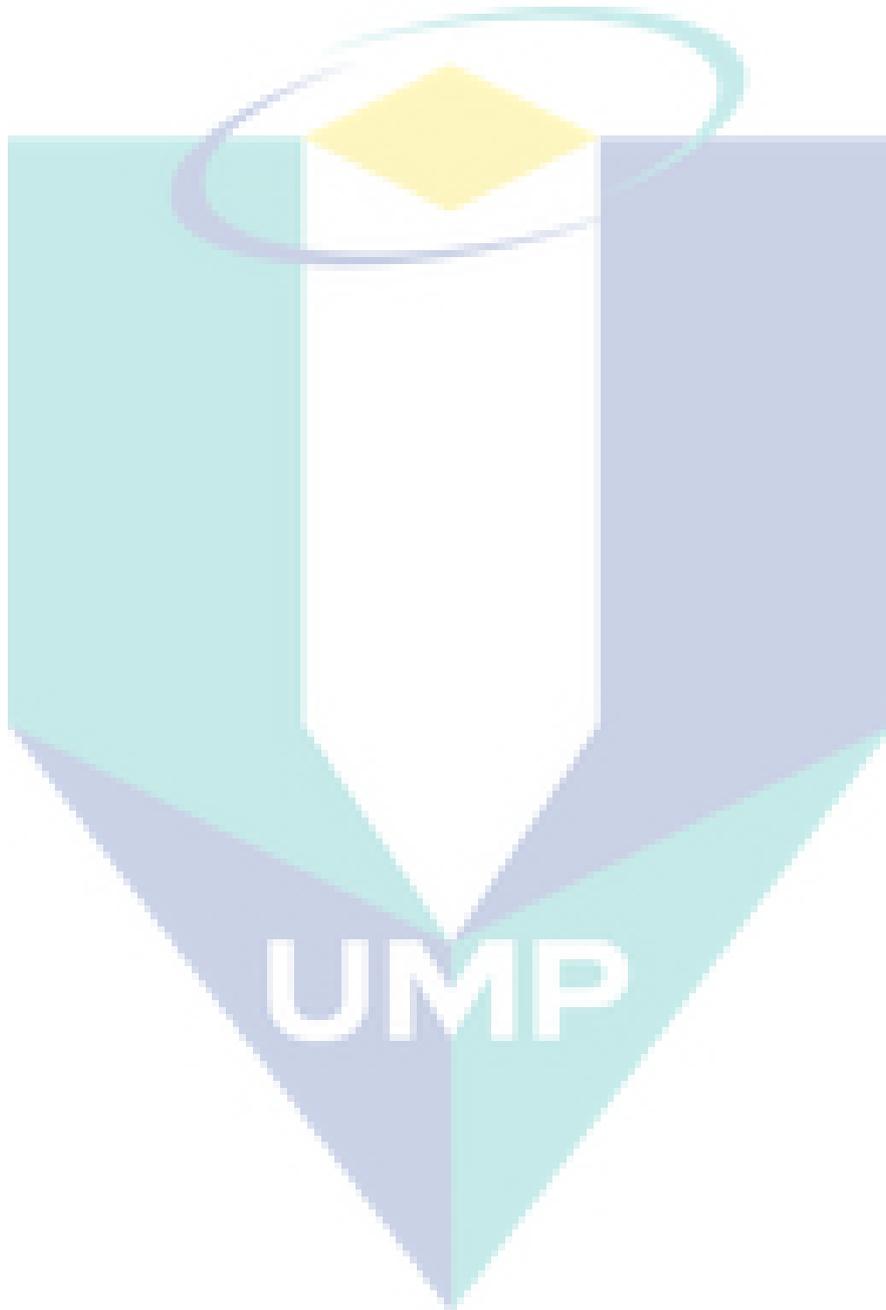
CHAPTER 6

DISCUSSION AND CONCLUSION

6.1   Introduction

A comprehensive discussion on the findings of this research is presented in this chapter. The discussions are on the extent of the analyses performed in previous Chapter 5 to answer the research questions and achieve the research objectives set out for this research. This chapter begins by recapitulating the major findings of the research. Next, the implication of the present study to both theory and practices are discussed. Lastly, the limitation of the study and suggestions for future researches are presented before the concluding remarks.

6.2   Recapitulation of Findings

The study examines the level of ethics and integrity in the Malaysian public-sector organizations. In this case, primary data was undertaken to understand this study. Online questionnaire was used to get feedback from the chief integrity officer (CIO) in public sector organization. The data was collected within three months (3) period starting from the second week of August 2017 and ending in the end of October 2017. This study did not perform nonresponse bias test to evaluate the early or late response since the data collection was done within short time frame (Armstrong & Overton, 1977;). The sampling frame of this study is CIO in the integrity unit listed in federal territory as per advised from the Agency Integrity Management Division, Malaysian Anti-Corruption Commission (MACC). The questionnaires were distributed via Google email(https://docs.google.com/forms/d/e/1FAIpQLSfelPgBE_WhFyLWt_wJDZQayKIv Vttk5c5IR-POZ0GLZ6ZQCw/viewform?c=0&w=1) and out of 128 respondents which comprises of the list names and in particular the CIOs from CIDC in MACC, only 83

respondents answered. These questionnaires were analysed for the descriptive analysis statistics, factor analysis, reliability test and multiple regression.

The main objective of this study is to examine the level of ethics and integrity (LEI) in Malaysian public sector organizations and factors that may influence it. There are two main factors studied in this research which are the quality of chief integrity officer (CIO) and ethical climate. The quality of CIO is measured by three dimensions which are independence, competence and work performance while ethical climate is treated as unidimensional. Furthermore, the relationship between the level of ethics and integrity on the organizational commitment is also examined as the fourth or final research objective. All these possible relationships are examined using data obtained through questionnaire that was sent out to the CIO in the public sector organization. The survey required the CIO to make sure the extent of their involvement and effectiveness of their roles in the Malaysian public sector organizations. In summary, this research attempts to look at whether the CIO's existence, in line with the right ethical climate, will increase the level of ethics and integrity of an organisation and in turn will increase the organizational commitment of the organization.

Three sets of hypotheses were developed for this study. The results showed that there is a significant and positive relationship between the quality of CIO with the level of ethics and integrity (H_1). After running further analysis on each of the quality of CIO dimensions, it was found that only competence (H_{1b}) and work performance (H_{1c}) have the significant and positive relationships, whereas independence (H_{1a}) was found to not have significant influence on the level of ethics and integrity. The study also found a significant relationship between ethical climate and the level of ethics and integrity (H_2). Finally, the study found a significant and positive relationship between the level of ethics and integrity with the organizational commitment (H_3), specifically only on the affective commitment (H_{3a}). In summary, all three main hypotheses were accepted, but individually, only four hypotheses were statistically supported out of seven hypotheses.

In addition, the descriptive statistics was performed on the characteristics of respondents. Additional analysis of crosstabulation and chi square test was conducted to examine other possible relationship between the demographic variables such as age, gender, race, position as head of integrity unit, education level and professional certification related to ethics and integrity program and also with the variables studied

in this research. The study found that being head of integrity unit results in higher score of the quality of chief integrity officer (60.4%) compared to not being the head of integrity unit.

Detail analysis on the level of ethics and integrity found that overall score for the level of ethics and integrity achieved 73.3%. Legal compliance, policies and rules scored the highest result of 84% followed by measurement, research and assessment (79.20%) and whistleblowing (75.67%) compared to other dimensions which scored below 75%. The least score was obtained by the ethics training and education which was only 69%. However, all dimensions scored the progress level above 50% which showed that the programmatic thrust is moving in the healthy direction.

6.3 Discussion of Results

This subchapter discusses in depth on each finding of this study by answering the research questions.

6.3.1 What is the Level of Ethics and Integrity in Malaysian Public Sector Organization?

Interestingly, 74.7% of the respondents stated that their organizations have experienced a breach of ethics and integrity in the last five years. This breach of ethics or integrity include any of the following such as bribery, corruption, fraud, discipline issues like attendance and harassment, abuse of powers, false claim, violation code of conduct or crime. This indicated that unethical situations do occur in the public sector organizations as per reported daily in the local electronic media. To gain deeper insight on this matter, further analysis on the level of ethics and integrity was examined.

The level of ethics and integrity was measured using the items from Corporate Integrity Assessment Questionnaire (CIAQ) based on the Corporate Integrity System Malaysia developed by Institute of Integrity Malaysia, which comprises of 12 dimensions with total of 218 items. The 12 dimensions are (i) Vision and Goals; (ii) Leadership; (iii) Infrastructure; (iv) Legal Compliance, Policies and Rules; (v) Organizational Structure; (vi) Disciplinary and Reward Measures; (vii) Whistleblowing; (viii) Measurement, Research and Assessment; (ix) Confidential Advice and Support;

(x) Ethics Training and Education; (xi) Ethics Communication; and (xii) Corporate Social Responsibility.

Findings from the survey showed that three dimensions of the level of ethics and integrity scored more than 75% while another 11 dimensions scored within 50% and 75%. The highest percentage score was legal compliance, policies and rules (84%), followed by measurement, research and assessment (79%) and whistleblowing (76%). The high scores for these dimensions indicate that in general, a high level of ethics and integrity is practices by the organizations studied in this research. Ethics training and education scored the lowest percentage (69%) compared to ethics communication, accountability, vision and goals, and infrastructure dimensions which scored 70% respectively. Leadership dimension scored slightly higher (75%) followed by confidential advice and support (74%), organizational culture (72%) and also disciplinary and reward measures (71%).

The high score achieved by the legal compliance, policies and rules dimension (84%) indicates that the organizations studied are doing well in its effort to put in place the internal framework that provides the floor for ethical behaviour. In other words, the core laws, policies, rules and guidance that comprise the legal framework for the organization's ethics and integrity systems are in place. It shows compliance with the external legal framework within the organization's operation. Essentially, the company has translated its legal commitments into concrete actionable guidance that is enforceable.

The second highest score is measurement, research and assessment dimension (79%) which provides good indication that the organizations undertake research to support ethics strategies thus create the culture of ethics and integrity. It proves that the organizations are continuously trying to improve their level of ethics and integrity by benchmarking and using other evaluation methodologies. Assessments that focus on ethical conduct, legal compliance, leadership commitment to ethical action, and reputational risk exposure should be performed regularly to increase this dimension to 100%.

Another good point to highlight is the third highest scored dimension that is whistleblowing (76%). It shows that the organization supports people from both

internally and externally, to talk up and make reports of unethical actions. The strategies and assurances are being offered to people who wish to make the organization mindful of conceivable deceptive conduct, offense or any illicit activities. It incorporates the creation of both secret and unknown reports and the frameworks utilized by the organization should shield the informants from countering or requital. To achieve 100% level, the organizations should focus on making the policy that encourages employees to follow the "chain of command" when facing workplace issues. Summary of data should also be publicly disclosed in regular basis by describing the type of matters that have been reported and the outcome of those matters. On top of that, the supervisors and managers should receive training on how to recognize and prevent retaliation.

A slightly higher score of leadership dimension (75%) showed that the leaders in the organizations hold their responsibilities in shaping, guiding, and supporting the organization's ethics and integrity initiatives. The leaders and managers are held accountable for promoting ethics and integrity and the so called "Tone from the Top" at both the senior executive and governance levels are exerted in the organizations. However, the organizations leaders should not assume that their private moral codes are adequate to lead the organization, unless it is in line with the organization's code of ethics. The respondents showed disagreement with the statement that the organization leaders need scripts to discuss ethics and integrity, which means that they are of the opinion that the discussion on ethics and integrity do flow naturally and the leaders understand the issues on ethics and integrity very well.

Another slightly higher score of confidential advice and support dimension (74%) showed that in general, the organization provides confidential, neutral, professional and independent ethics advice to employees, supervisors, managers, executives, members of the governing bodies and other stakeholders. Almost all respondents agree that there is special resource available for those who seek ethics advice confidentially. It is believed that this ethics advice is confidential, and employees are encouraged to speak directly to their leaders if they have questions about ethics, integrity or compliance. The organization's chief legal officer whom in this study is proxied by the chief integrity officer, is not really being viewed as the ultimate source for the best ethical advice. The integrity officer is also not being fully authorized to issue "safe harbour" letters in which the employees who are seeking for advice, can be reassured that they cannot be disciplined because they relied upon that advice. Thus, the

organizations should improve on these issues if the highest percentage score is to be achieved for this confidential advice and support dimension.

The next dimensions which scored slightly higher percentage are organizational culture dimension and the disciplinary and reward measures dimension which are 72% and 71% respectively. Organizational culture explores the degree to which the organizations studied focus on shaping their organizations' culture through both written and unwritten rules that dictate how work is performed and goals are reached and also whether that culture actively promotes ethical conduct. It was found that the organizational culture on ethics and integrity in all organizations studied has already begun. It is considered safe to speak about wrongdoings at the organization. However, it would be better if there are more positive role models among leaders in the organization and the organization's culture should be more relatively open. Most of the employees tend to keep low profiles in the organization and they perceived a significant gap between the organization's ethical communication and its actions.

On the other hand, disciplinary and reward measures indicate that the organizations have their explicit disciplinary action for wrongdoing or misconduct as well as the explicit system to reward ethical action. The respondents disagreed that the consequences from unethical behaviour in the organization are only addressed if it adversely impacts the business results and that unfair treatment especially by management in the organization is not directly addressed. These meant that all consequences from unethical behaviour and the unfair treatment by the management are seriously addressed in all situations. A formal performance appraisal system does include ethics and integrity measures.

The infrastructure dimension, vision and goal dimension, accountability dimension and ethics communication dimension scored similar percentage which is 70%. Hence, the organizations should focus on these dimensions to increase the level of ethics and integrity. A low scored for infrastructure dimension indicates that the organization structures its ethics and integrity function in less effective way. Not 100% respondents agreed that there is organizational infrastructure or individual responsible for integrity in their organization. The result also indicated a great majority of the respondents acknowledged that organizational integrity is recognized as a unique discipline requiring specialized skills, knowledge and experience. The integrity

functions should not be performed as additional, secondary duty of mid-level staff. Nonetheless, the integrity function should be subjected to regular audit oversight. Moreover, at 100% level, the integrity officer should have dual reporting relationship to senior management and the board of directors.

Another crucial dimension that the organizations should focus on is the vision and goals. This is because vision and goals dimension is supposed to cover overall concept and approach to ethics and integrity in the organization, including its formal articulation of the underlying philosophy about ethical and moral conduct embedded by organization. Even though most of the respondents agreed that there is explicit integrity vision, goals, policies, statement or program, however, the ethics and integrity is neither recognized nor discussed seriously. Integrity should not be limited to legal compliance or the organization's formal internal rules structure only or just being tolerated only because it would be politically incorrect to fail to mention it. Hweover, integrity is agreed to be the requirement for organizational and individual performance. Moreover, the organization and the leaders should recognize that legal conduct and ethical behaviour are not necessarily ethical. Regardless of disagreement on the statement that little is done intentionally to embed integrity in the organization, but more initiatives should be taken by the organization to really incorporate the ethics and integrity in their vision and goals.

Lot of improvement should be done for the accountability dimension if the level of ethics and integrity is to increase. First and foremost, the disclosure of activities including financial performance to the relevant stakeholders should be made available and unlimited. The organization should react or respond to audit/inquiry officer seriously and must disclose information even though the disclosure does not serve the government's interest. This disclosure should be beyond basic information, in other words, the organizations should make effort to provide additional information. Despite these improvements, the respondents perceived that their organizations do comply with the provision of the Personal Data Protection Act and that the organizations only inform things that has been verified by credible and reputable independent parties. The organizations also use ICT and other social media to disclose relevant information as a way to engage the stakeholders whilst implementing quality processes that allows disclosure, evaluation and feedback for continuous improvement.

Ethics communication dimension scored very close to 70% which is 69.87%. Around 80% of the respondents agreed that there is a formal communications or discussions about ethics and integrity in their organization. Some of the managers talked about integrity informally or on ad hoc basis, in addition to the occasional reminder by human resources department or management about policies and compliance requirements. However, the website information or static printed literature about integrity is not much available. Similarly, the annual report about the organization's ethics and integrity programs are very less published or being distributed both inside and outside of the organization.

The dimension of ethics training and education obtained the lowest score among all 12 dimensions. This dimension explores the ethics and integrity awareness, skill building training and education, and the integration of such training into the overall development of all staffs. This includes the provision of ethics related training and skill building throughout the life cycle of staff members and the degree to which these initiatives are integrated into the organization's training commitments. It was found that the person in charged of designing and delivering training does have specific expertise in ethics and integrity as per agreed by respondents. However, the training programs on ethics and integrity are not briefed and focused on informing the employees about policies and meeting legal requirements. The training provided is not being fully integrated with the overall training curriculum, but being offered as a stand-alone course. Furthermore, leaders are expected to conduct training as part of team meetings using provided instructor guides or toolkits, compared to giving training only for new hire or upon promotion to management department. The organizations should provide minimum number of state-of-the-art integrity training per year to all board members, executives, managers, supervisors, staffs and agents amd also establish a minimum number of ethics training hours to be completed annually for each category of learner.

Even with many areas for improvement as discussed previously based on the score of each 12 dimensions, the overall results for the level of ethics and integrity comprising of all the dimensions showed relatively high percentage which is 73%. The total score almost achieving 75% level indicating that the ethics and integrity may become a robust systematic approach very soon. Nonetheless, achieving above 50% global benchmark level shows that the organizations studied did begin the

programmatic ethics and integrity and this shows that it is currently moving in the healthy direction.

It could be said that the government efforts in the implementation of the national integrity agenda over the years may be fruitful, resulting in the achievement for the level of ethics and integrity above 50%. This finding is in line with the research conducted by Said and Omar (2014) where they found that the comparative analysis between two government linked companies also score more than 50% progress towards higher level of corporate integrity system. In addition, the research conducted by Ismail et al. (2014) also found similar results where the organization studied (*Majlis Amanah Rakyat*) scored within 50% and 75% overall score of the level of ethics and integrity using similar adapted questionnaire.

Unfortunately, the recent data of Transparency International's (TI) Corruption Perception Index (CPI) 2017 reported that Malaysia scored only 47 points over 100, causing Malaysia to be ranked 62nd out of 180 countries as compared to CPI 2016 where Malaysia was ranked 55 among 176 countries with a score of 49/100 and in CPI 2015 where Malaysia was ranked 54 out of 168 countries with a score of 50/100 (The Star Online, 2018). This worldwide published data is not in line with the findings of this current research where the high percentage score of the level of ethics and integrity should be resulting in the higher score of CPI index. In the same article news, the TI Malaysian president mentioned that Malaysia faced the two points dropped because of the issues surrounding several high-profile cases (The Star Online, 2018). Thus, it could not be generalized that the lower CPI index represents the low level of ethics and integrity in all Malaysian public sector organizations.

Ethics and integrity are two essential components of good corporate governance. Ethics involved individual, organizations and professional ethics while integrity involved individual, organizations and persons holding the office. Public sector organizations have the noble vision in which they should become outstanding organizations of trust and upholding the nation's pride (Ismail, 2014). Therefore, public sector organizations need to enhance the level of ethics and integrity to gain the people's trust. The factors that may influence the levels of ethics and integrity in the organization were further discussed in the following section.

6.3.2 What is the Relationship between the Quality of Chief Integrity Officer with the Level of Ethics and Integrity in Malaysian Public Sector Organization?

From the overall model tested based on the hypothesis 1 (H₁), it was found that the quality of CIO has significant and positive relationship with the level of ethics and integrity at 95% confidence interval. The beta coefficient for the quality of CIO obtained from the multiple linear regression is 0.36, indicating that this variable makes the strongest contribution to explain the variance in the level of ethics and integrity compared to ethical climate which is another independent variable studied in this research.

This finding is in line with the Hunt and Vintel's Theory of Ethics (1986) which had been used as the underlying theory of this research framework. The theory postulated that the personal characteristics will have impact on the individual's decision making, which subsequently affect the ethical behaviours enacted. Accordingly, this study findings fit the Hunt and Vintel's theory in which the quality of CIO's personal characteristic is proven statistically to have significant relationship on the level of ethics and integrity or ethical behaviours in the Malaysian public sector organizations.

This research finding is also in line with the research conducted by Chandler (2015) where he found that ethics and compliance officer have direct consequences on the firm's ethics culture and ethics action. Similarly, Irwin and Bradshaw (2011) found that ethics ambassadors did contribute to the embedding of ethical values and strengthen the ethics program in the organisation. The researcher Duggar (2009) had also mentioned in his paper that the individual leaders of integrity can create consensus around a culture of integrity within a corporation.

In addition to that, additional analysis of the crosstabulation and chi square test found that holding the position as the head of integrity unit has significant relationship on the quality of chief integrity officer. It indicates that having the specific responsibility on the ethics and integrity portfolio like being the head of integrity unit will ensure higher quality of integrity officer. In other words, it can be said that the initiative taken by Malaysian government in the establishment of the integrity unit in

every public sector organization does contribute in the improvement of the level of ethics and integrity.

In this research, the quality of CIO was measured by three dimensions which are independence, competence and work performance. From the individual relationship testing, it was found that work performance and competence have significant and positive relationship with the level of ethics and integrity. However, independence was found not significant. To gain deeper insight on the findings of this study, the following subsection discussed in detail on the relationship between each dimension of the quality of CIO with the level of ethics and integrity.

6.3.2.1 Work Performance

Among the three dimensions of quality of CIO, work performance has the highest mean scored of 4.21, indicating that respondents mostly agreed with the job descriptions of the chief integrity officer. Work performance also scored the largest beta coefficients (0.32) in the multiple regression analysis indicating that this dimension has the strongest contribution in explaining the variance of the level of ethics and integrity.

This finding is in line with the research paper published by Treviño et al. (2014) where they found that the efforts of ethics and compliance officer to initiate and manage variety of ethics and integrity related programs can be beneficial in terms of improving employee's perceptions and decreasing inappropriate conduct. The work performance as the dimension of the personnel's quality is also supported by the previous research conducted by Qun (2013) where he found that the work performance of the internal auditors contributed to the overall quality of internal auditors.

Respondents perceived that they are responsible to coordinate and monitor the ethics and integrity programme as well as implementing a recovery integrity program by monitoring the services delivery system in the organization and assisting the Integrity and Governance Committee. Moreover, they are also in charge of coordinating the actions taken on the breach of ethics and integrity. Integrating all these work scope responsibilities, it ensures the quality of chief integrity officer and eventually contributes in the higher percentage score of the level of ethics and integrity as discussed in the earlier section.

6.3.2.2 Competence

The second dimension of the quality of chief integrity officer (CIO), competence was also found to have significant and positive relationship with the level of ethics and integrity in the Malaysian public sector organizations studied in this research. Competence in this study refers to the working experience and the level of education. The finding is in line with the previous research by Irwin and Bradshaw (2011) which also found that the more competence officer will influence a good ethics programs to be in place. Hunt and Vintel (1986; 1993) had also discussed the significant of competence in some ethical judgement models explained in their Theory of Ethics.

Indirectly, previous research conducted by Mihret and Yismaw (2007), Rai (2008) and Qun (2013) had found that the competency of the personnel is a crucial factor in determining the overall quality of their expert field. These researchers agreed upon the finding on which competence internal auditors are required to ensure they performed their audit work properly and at highest quality. Similarly, if the officers in this current study possess the competency such work experience related to ethics and integrity, the skills and knowledge regarding the ethics and integrity, it is most likely that they will contribute in the overall quality of chief integrity officer which subsequently influence the level of ethics and integrity in the organization.

For instance, the competency level of CIOs in this study is quite high where almost 90% of the respondents have either master's degree or a bachelor's degree qualification with 42% of the respondents have average year of services related to ethics and integrity more than 12 years. Moreover, more than 80% of respondents own professional certificate or qualification related to ethics and integrity program. These had contributed to the high percentage score for the level of ethics and integrity obtained in this study. Hence, it can be concluded that the concern of placing the right person with appropriate skills especially the chief integrity officer would be portrayed through the improvement on the level of ethics and integrity in their respective organizations. This can also be supported by recent quotes in the local online newspaper stating that the certified integrity officers during their five-year service, had taken down 4,000 complaints and pursued to the end 1,600 of them, including those classified as "misconduct" (News Strait Times, 2018).

6.3.2.3   Independence

Independence was found not to have significant relationship with the level of ethics and integrity. This result is consistent with Qun (2013) where he found that independence was not significant in determining the internal audit effectiveness. In this study, independence was also found not significant in determining the level of ethics and integrity. This implies that the reporting level used as the proxy of the independence dimension does not affect the quality of chief integrity officer. In addition to that, it was found that both operational and functional reporting level in this current study was to their head of department. One of the possible reasons is because, unlike previous studies, this study focused on the public sector entities where the culture of reporting is directly referred to the immediate superior for any issues that were raised.

6.3.3   What is the Relationship between the Ethical Climate with the Level of Ethics and Integrity in Malaysian Public Sector Organization?

Ethical climate was found to have significant and positive relationship with the level of ethics and integrity (Beta coefficient 0.27, $p < 0.05$, confidence interval 95%). This is supported by the Hunt and Vitell's Theory of Ethics (1986; 1993) where apart from personal characteristics which is the quality of CIO, the organizational environment also plays crucial factors in influencing the level of ethics and integrity in the organization. In this study, this organizational environment is represented by the ethical climate. In other words, ethical climate of the organization may influence the ethical decision and attitude or behaviour making which eventually gives impact to the level of ethics and integrity. This finding is also consistent with research conducted by Chouaib and Zaddem (2013) which suggested that the ethical climate have an impact on the affective trust of work and consequently, increase the level of ethics and integrity within the organization. Ethical climate was also found to be a critical factor in influencing the employee's perception of how their organization emphasizes the ethical aspect of business and encourages employee's ethical work behaviours (Kwon et al., 2013). Similarly, Shafer (2015) analyzed the ethical climate of professional accountants in Hong Kong and reported that there is a significant relationship with ethical judgement on organizations.

The mean score obtained for this variable is also quite high which is 4.09. The high mean value indicates that the respondents perceived their organization practices a high ethical climate in public sector. This study also found that the public sector organizations promote a transparent ethical surrounding, implements a strict code of ethical rules and enforces mechanism to prevent unethical behaviour. These are essential factors in creating an awareness of ethical and integrity among public servants.

6.4   Implications of Study

The results generated from this research have several significant implications to both theory and practice. The results were able to justify the theoretical underpinnings of the core theories, namely Hunt and Vitell's Theory of Ethics and social identity theory. The results also provide strong support for the implications of the factors that influenced the level of ethics and integrity in Malaysia as well as the implications on the research outcome like organizational commitment.

6.4.1   Theoretical Implication

This study tried to use the Hunt and Vitell's Theory of Ethics and Marketing (1986; 1993) in explaining the interrelations of factors influencing the level of ethics and integrity in Malaysian public sector organizations. The H-V theory depicts the ethical behaviours exerts resulting from the various factors that influenced the ethical judgement involving both deontological and teleological evaluation. The categories of Hunt and Vitell's Theory included cultural environment, professional environment, industry environment, organizational environment and personal characteristics. In this present study, two categories had been selected to be further examined relationship that are personal characteristics for the quality of CIO and organizational environment for ethical climate as a factor that influence towards level of ethics and integrity in the public sector. Based on this survey, it is specified that the implication of both categories towards this theory (Hunt and Vitell's Theory of Ethics), have significant and has empirically been proven to increase the level of ethics and integrity in the organizations. Based on the conducted survey, quality of CIO which competence and work performance and also ethical climate have a positive relationship with the level of ethics and integrity in the public sector. Therefore, Hunt and Vitell's Theory of Ethics can be implemented to in the public sector in order to increase the level of ethics and integrity.

6.4.2   Practical Implication

This study proven that the high competency and work performance of chief integrity officer (CIO) significantly influences the level of ethics and integrity. CIO with these attributes will contribute insights and can help to improve the integrity unit in the organizations so that the level of ethics and integrity can be increased higher and consequently, reduce the unethical scandals in an organization. The competence level of the CIO is measured based on their experience and level of education. With regards to that, by appointing a highly experienced and skilled CIO, it could help in solving the unethical scandal effectively. To increase the competency level of the CIO, they are highly advisable to enrol in more professional qualification courses related to ethics and integrity. All CIOs should have graduated with the Certified Integrity Officer (CeIO) course provided by the Malaysian Anti-Commission Academy. Meanwhile, to increase work performance CIOs should play the roles stipulated in MACA such as responsible to coordinate and monitor an integrity program, report and take actions on any breach of integrity, implement a recovery integriy program and also support or assist Integrity and Governance Committee. Other than that, CIOs should actively take part in the association organized by Institute of Integrity Malaysia and should be attending seminars, colloquiums and trainings conducted that is related to the skills enhancement and latest tools and knowledge in the field of ethics and integrity either locally or at a global scale. It would be great if the CIOs are given certain numbers of Continuing Professional Development (CPD) points that they must fulfil. This will encourage long life learning by the CIOs and thus ensure the increasing level of competency in line with latest issues and findings in their field.

Moreover, integrity units should be established with its own head of integrity unit. It can be seen from chi-square result that there is significant relationship between the position as head of integrity unit with the quality of chief integrity officer. Even though it is not empirically proven in this research that establishment of integrity unit is highly interrelated with the work performance of the CIO, realistically people who work properly and well if they have specific job description and scope of work as compared to those who had not been given any specific job descriptions.

In this study, work performance is measured based on the CIO's role to coordinate and monitor integrity program, report any breach of integrity, coordinate the

action take on breach of integrity, implement the recovery program on integrity to increase the level of ethics and integrity in the public sector. It is also worth noting that the Malaysia Institute of Integrity (IIM) should publish more articles related to ethics and integrity and should be distributed among the civil servants. By doing so, it is hoped that it can spread awareness on the issue of ethics and integrity in the public sector. As for the Malaysian Anti Corporation Commission (MACC), the commission should provide more support and assistance towards the integrity and governance committee, advice the management on integrity matters as to which matters related to ethics and integrity can be handled efficiently.

Ethical climate is another factor studied in this research. To increase and improve existing ethical climate, the organization can establish clear policies, guideline and conduct to all employees in the government agencies, ministries and statutory body in the public sectors in order to enhance the ethical behavioral practices. The management should ensure that civil servants are always sensitive and concerned that their actions comply with the code of ethics and message should be informed to all employees in public sectors that they are expected to perform with high integrity at all times. Public sectors with high integrity, reliability and accountability will increase the level of ethics and integrity in public sector organizations. With more emphasis on ethical climate, it is hoped that public servants can improve their delivery performance and enhance the reputation of the public sector.

The government can also improve the existing ethical climate by implementing the control and monitoring procedure of the employee at various departments of public sector to enhance the ethical behavioural practices. Employees at public sector are expected to perform high integrity and high ethical values consistently during the undertaking of their tasks with transparent and responsibility. Other than that, top management should look at the procedure, code of conduct, legislation, and guideline as these plays major role in influencing level of ethics and integrity in the public sector organisation. Despite many efforts taken to increase the level of integrity, the number of complaints and the number of arrested people remain high. To create the culture and climate of integrity, the civil servants are encouraged to participate in seminars on integrity, forums, and dialogues organized by relevant agencies and organizations. Besides that, these initiatives are concurrently strengthened with compliance constructs

such as the national pillars (*Rukun Negara*), code of ethics, integrity pledge, general circulars and many other formal documents expounding good values.

. Thus, management should prepare an internal platform for public relations so that the descriptions of positive images towards an organization from its ethics and integrity activities are circulated through the organization, promoting a shared recognition that their organization truly cares for this matter. Therefore, this study proposes that public sector should implement various ethics and integrity programs in organizations because it will influence the behaviour of the employees as to be more ethical at their workplace and even more affectively committed with their workplace.

6.5 Limitations of Study

This study like any other study, has its own limitations. Firstly, although it means the requirements of the current study with a sample size of 83, a larger sample size should be obtained in the future. With a bigger sample size, PLS can be used to analyse the data. Moreover, the respondents of the study were selected from the list given by Corporate Integrity Development Centre under Malaysian Anti-Corruption Commission focusing only in federal territory of Malaysia. Any findings, discussion or suggestion in this study might be irrelevant to any other party except for the similar organizations. This study only used online questionnaire as the main primary data collection. Therefore, the responses were finite and only according to the scale provided without detail explanation of the current issues and situations, challenges and other factors that maybe related with the level of ethics and integrity in the Malaysian public sector organizations. Qualitative approach through interviews and understudying secondary documentation of the organisations should be studied and this would offer more breadth in explanation.

6.6 Suggestions for Future Research

Based on the limitations of the study, the following recommendations are suggested for future researchers on similar topic to make an improvement in this study area. First, the number of samples should be increased and could be focused on the chief integrity officers who has graduated the Certified Integrity Officer course conducted by Malaysian Anti-Corruption Academy, in other words focused on CIO (Chief Integrity Officers). Therefore, the effectiveness of those in charge of integrity, whom has gone

through the certification process, can be examined. Samples can also be extended to include the ethics officers from the State Government and comparison can be made with the ethics officers at the Federal Government. A future research may also include an analysis of gender and the focus of the integrity unit in public sector organizations all over Malaysia, both states departments and government link agencies along with the federal departments. Interviews can also be done to enable more in depth explanation of issues studied.

Moreover, on the issue of the distribution of questionnaire, the researcher should send it to the respondents personally as he/she may take the opportunity to conduct a briefing session on explaining the questionnaire to the respondent rather than by using online questionnaire. By doing so, it could avoid any potential conflict or misunderstanding among the respondents. In addition to that, the number of questionnaires for respondent needs to be reduced and the analysis may be done using PLS-SEM. It is strongly suggested that the research approach could possibly be utilized as a qualitative research approach such as in-depth interviews with the chief integrity officers, case studies approach or in combination with survey questionnaires.

Other factors influencing ethics and integrity in the organizations that have not been studied in this research, can also be examined such as cultural environment (e.g. religion, legal system and political system), professional environment (e.g. informal norms, formal codes and code enforcement), ethical judgement, institutional factors (e.g. ethics legislation) and internal audit capability. Consequently, the outcome of the level of ethics and integrity on other aspects can also be examined. For instance, the impact of ethics and integrity on the public trust or on the organization performance may be conducted through internal audit capability.

6.7   Conclusion

The study examined the relationship between quality of CIO and ethical climate with the level of ethics and integrity. It was found that competence and work performance dimensions of the quality of CIOs has a positive relationship with level of ethics and integrity. This study also found that the level of ethics and integrity has a significant influence on effective organizational commitment. Age and gender were also found to be significantly influencing the organizational commitment, where by older

male CIOs showed higher level of organizational commitment compared to younger aged or female CIOs.

This study concludes that the Malaysian public sector organizations has begun a programmatic trust in ensuring ethics and integrity exists in their organisations. It was found that the level of ethics and integrity is only at a moderate level of 73% in the Federal Government of the public sector. More efforts should be done in order to attain ethics and integrity at 100% global benchmark level. Findings from the 12 dimensions for level of ethics and integrity shows that the organisation is doing well in terms of legal, compliance, policies and rules.
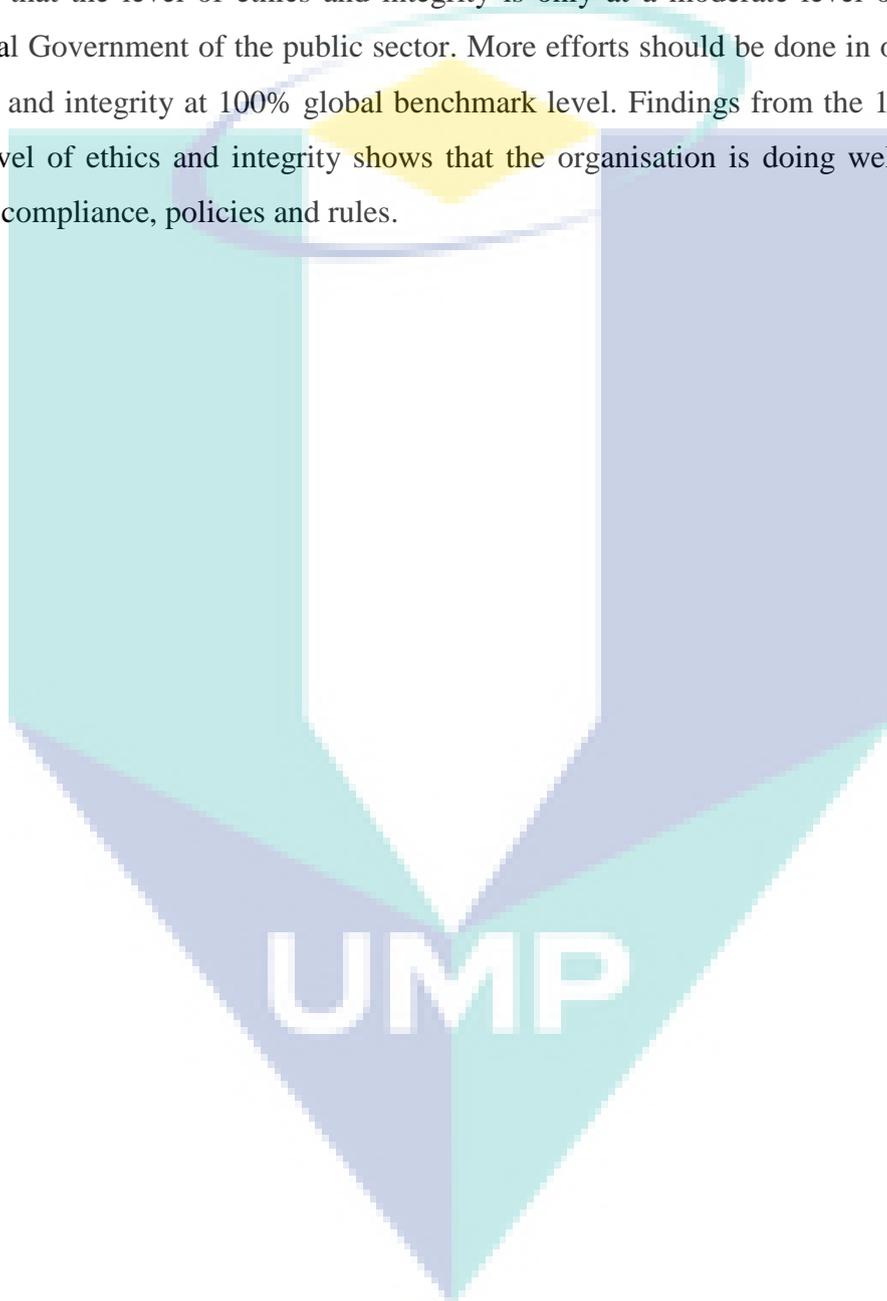
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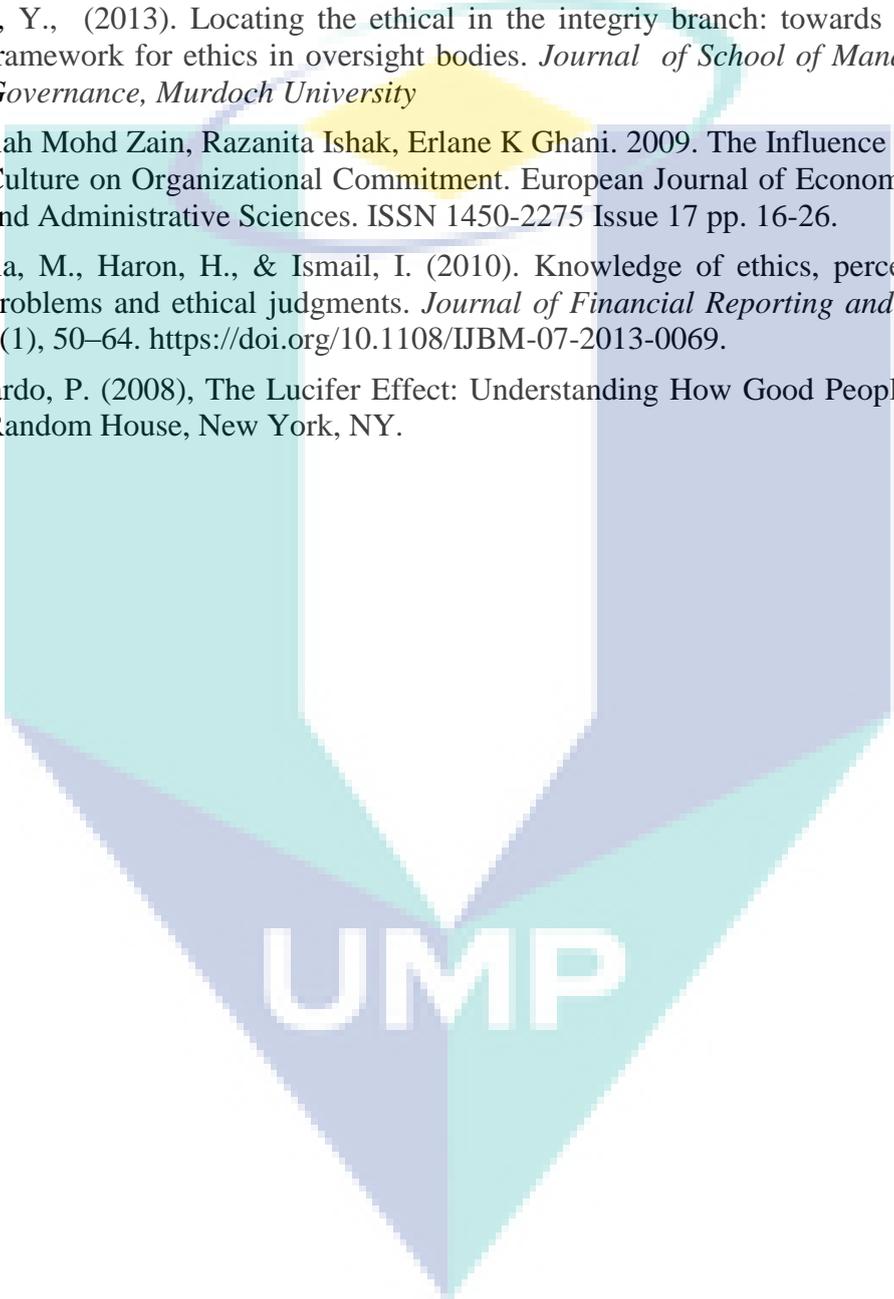
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13 AUGUST 2017

Dear Sir/ Madam,

I am doing a research on ***"The Quality of Chief Integrity Officer and Ethical Climate on The Level of Ethics and Integrity and Its Relationship with Organizational Commitment: The Case of Malaysian Public-Sector"***. This study is required in order to fulfill the requirement of Doctor of Philosophy (PhD) program in the Faculty of Industrial Management, Universiti Malaysia Pahang, Malaysia.

There are **4 sections with total of 288 questions** that are crucial for this research purpose. I would be very grateful if you could spare 20-30 minutes to complete this questionnaire based on your honest opinion. There is no right or wrong answer. Your response is much appreciated. You are required to **answer all questions (double sided printed questionnaire or online questionnaire) ONCE ONLY**. Online survey link can be accessed by scanning the following QR code.

I would like to assure you that all answers will be kept strictly confidential and will be used only for the research. The code of the instruments is known only to the researcher and will not be communicated to any other parties in any form.

I would appreciate if you could complete the questionnaire and return it to me within three weeks from the date specified in the cover letter by returning back the questionnaire to the person in-charged or mailing back to the following address. If you have any inquiries or need further information regarding the questionnaire, please contact me at **014-6006245** (Asmawati Binti Sajari) or e-mail me at watiku049@gmail.com.

Thank you very much for your kind cooperation and participating in the survey.

Yours Sincerely,

ASMAWATI BINTI SAJARI

This questionnaire consists of three sections; Sections A, B, C and D. Please kindly answering all the sections.

Soal Selidik ini mengandungi 3 seksyen; Seksyen A, B, C dan D. Sila jawab kesemua Seksyen berikut.

SECTION A: DEMOGRAPHIC, COMPETENCE AND INDEPENDENCE
BAHAGIAN A: DEMOGRAFI, KECEKAPAN DAN KETIDAKBERGANTUNGAN

Please tick (/) and fill the blank with appropriate
Sila tandakan (/) dan mengisi tempat kosong dengan sesuai.

1. Type of your organization /*Jenis organisasi anda:*

☐	Ministry / *Kementerian*
☐	Department / *Jabatan*
☐	Statutory Body */ Badan Berkanun*

2. Size of Organization (Number of employees/staffs):
   Saiz Organisasi (Bilangan pekerja / kakitangan):

3. When was it established?
   Bila ia ditubuhkan?

4. Does your organization have an integrity unit?
   Adakah organisasi anda mempunyai unit integriti?

   ☐ Yes / *Ya*   ☐ No / *Tidak*

5. Are you the head of integrity unit?
   Adakah anda Ketua Unit Integriti?

   ☐ Yes / *Ya*   ☐ No / *Tidak*

   If no, what is your current position:
   Jika tidak, apakah jawatan terkini anda:

   _____

6. Please specify your full designation / *Sila nyatakan jawatan penuh anda:*

☐	Certified Integrity Officer / *Pegawai Integriti Bertauliah*
☐	Chief Ethics Officer / *Ketua Pegawai Etika*
☐	Compliance Officer / *Pegawai Pelaksana / Pegawai Pematuhan*
☐	Others, please specify / *Lain-lain, sila nyatakan*: _____

7. Your highest qualification / *Kelayakan tinggi anda:*

☐ PhD / PhD
☐ Master / Sarjana
☐ Degree / Ijazah
☐ Diploma / Diploma
☐ Others, please specify / *Lain-lain, sila nyatakan* _____

8. Do you have any professional certificate or qualification (related to ethics and integrity program)?
Adakah anda mempunyai apa-apa sijil profesional atau kelayakan (berkaitan dengan etika dan program integriti)?

☐ Yes / *Ya*   ☐ No / *Tidak*

If yes, please state / *Lain-lain, sila nyatakan*: ……….……………………………………………

9. Your working experience (related to ethics and integrity portfolio)
Pengalaman kerja anda (berkaitan dengan etika dan portfolio integriti)

☐ Less than 3 years / *Kurang daripada 3 tahun*
☐ 3 years to less than 6 years / *3 tahun atau kurang daripada 6 tahun*
☐ 6 years to less than 9 years / *6 tahun atau kurang daripada 9 tahun*
☐ 9 years to less than 12 years / *9 tahun atau kurang daripada 12 tahun*
☐ 12 years to less than 15 years / *12 tahun atau kurang daripada 15 tahun*

10. To whom do you report functionally (on the organization chart)? Please tick (√).
Kepada siapakah anda melaporkan secara berfungsi (mengikut pada carta organisasi)? Sila tandakan (√).

☐ Agency Integrity Management Division, MACC / Bahagian Pengurusan Integriti Agensi, SPRM
☐ Ministry Secretary / Setiausaha Kementerian
☐ Chief Executive Officer / *Ketua Pegawai Eksekutif*
☐ Head of Department / *Ketua Jabatan*
☐ Others, please specify / *Lain-lain, sila nyatakan*: _____

11. To whom do you report operation (daily)? Please tick (√).
Kepada siapakah anda melaporkan operasi (pada setiap hari)? Sila tandakan (√).

☐ Agency Integrity Management Division, MACC / *Pengurusan Integriti Agensi Bahagian, SPRM*
☐ Ministry Secretary /*Setiausaha Kementerian*
☐ Chief Executive Officer / *Ketua Pegawai Eksekutif*
☐ Head of Department / *Ketua Jabatan*
☐ Others, please specify / *Lain-lain, sila nyatakan:* _____

12. Does your organization currently have other officers who is responsible for and manages the ethics & integrity programme independently?
Adakah organisasi anda kini mempunyai pegawai-pegawai lain yang bertanggungjawab dan menguruskan etika & integriti program secara bebas?

☐ Yes / *Ya*   ☐ No / *Tidak*

If yes, please state the size (number of staff) / *Jika ya, sila nyatakan saiz (bilangan kakitangan):*

……………………………………………………

13. In the last five years, has your organization experienced any breach of ethics or integrity?
Dalam tempoh lima tahun lalu, adakan organisasi anda mengalami apa-apa pelanggaran dalam etika atau integriti?

☐ Yes / *Ya*   ☐ No / *No*

If yes, please state nature of the case / *Jika ya, sila nyatakan jenis kes itu:*

…………………………………………………………………………………………………

14. Your Gender / *Jantina anda*

☐ Male / *Lelaki*   ☐ Female / *Perempuan*

15. Race / *Bangsa*

☐ Malay / *Melayu*
☐ Chinese / *Cina*
☐ India / *India*
☐ Others, please specify / *Lain-lain, sila nyatakan* _____

16. Religion / *Ugama*

☐ Islam / Islam
☐ Buddhism / *Buddha*
☐ Christiniannity / *Kristien*
☐ Hinduism / *Hindu*
☐ Others, please specify / *Lain-lain, sila nyatakan* _____

17. Age / *Umur anda*

☐ 25 – 29 years / *25 – 29 tahun*
☐ 30 – 34 years / *30 – 34 tahun*
☐ 35 – 39 years / *35 – 39 tahun*
☐ 40 – 44 years / *40 – 44 tahun*
☐ 45 –49 years / *45 – 49 tahun*
☐ 50 – 54 years / *50 – 54 tahun*
☐ 55 – 59 years / *55 – 59 tahun*
☐ 60 above / 60 tahun keatas

SECTION B: FACTORS INFLUENCING LEVEL OF ETHICS AND INTEGRITY /
BAHAGIAN B: FAKTOR YANG MEMPENGARUHI TAHAP ETIKA DAN INTEGRITI

Please circle the number that best reflects your agreement to the following statements on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree) as follows:
Sila bulatkan nombor yang mengambarkan sejauhmana anda bersetuju dengan kenyataan berikut mengikut skala 1 (Sangat tidak setuju) hingga 5 (Sangat setuju) seperti berikut:

Strongly Disagree (SD) *Sangat tidak bersetuju*	Disagree (D) *Tidak bersetuju*	Not Sure (NS) *Tidak Pasti*	Agree (A) *Bersetuju*	Strongly Agree (SA) *Sangat Bersetuju*
1	2	3	4	5

	Quality of Integrity Officer (Work Performance) **Kualiti Pegawai Integriti (Prestasi Kerja)**					
1.	I am responsible to coordinate an integrity programme. / *Saya bertanggungjawab untuk menyelaras program integriti.*	1	2	3	4	5
2.	I am responsible to monitor the integrity programme. / *Saya bertanggungjawab untuk memantau program integriti.*	1	2	3	4	5
3.	I have to report any breach of integrity. / Saya melaporkan sebarang pelanggaran integriti.	1	2	3	4	5
4.	I will coordinate the actions taken on the breach of integrity. / *Saya akan menyelaraskan tindakan yang diambil terhadap pelanggaran integriti.*	1	2	3	4	5
5.	I have implemented a recovery integrity program. / *Saya melaksanakan program pemulihan integrity.*	1	2	3	4	5
6.	I have published integrity related articles. / *Saya telah menerbitkan artikel yang berkaitan integriti.*	1	2	3	4	5
7.	I assist Integrity & Governance Committee. / *Saya membantu Jawatankuasa Integriti dan Tadbir Urus.*	1	2	3	4	5
8.	I support Integrity & Governance Committee. / *Saya menyokong Jawatankuasa Integriti dan Tadbir Urus.*	1	2	3	4	5
9.	I advice the management on integrity matters. / *Saya menasihati pengurusan mengenai perkara-perkara integrity.*	1	2	3	4	5
10.	I monitor the services delivery system of the organization. / *Saya memantau sistem penyampaian perkhidmatan organisasi.*	1	2	3	4	5
11.	I act as a liaison officer between organization and Corporate Integrity Development Center, Malaysian Anti-Corruption Commission (CIDC, MACC). / *Saya bertindak sebagai pegawai perhubungan antara organisasi dan Pusat Pembangunan Integriti Korporat, Suruhanjaya Pencegahan Rasuah Malaysia.*	1	2	3	4	5
12.	I ensure compliance to directives/regulations issued by the	1	2	3	4	5

	organization. / *Saya memastikan organisasi mematuhi arahan/peraturan yang ditetapkan.*					
Ethical Climate/ *Iklim Etika*						
13.	The most important concern is the good of all people in this organization. / *Keutamaan paling penting adalah kebaikan semua pihak yang berada di dalam organisasi ini.*	1	2	3	4	5
14.	Our major consideration is what is best for everyone in this organization. / *Kami mengambil kira segala yang baik untuk semua pihak yang berada di dalam organisasi ini.*	1	2	3	4	5
15.	It is expected that each individual is cared for when making decisions here. / *Setiap keputusan yang dinuat unyk organisasi telah mengambil kira kepentingan setiap individu.*	1	2	3	4	5
16.	The effect of decisions on the public is a primary concern in this organization. / *Kesan bagi setiap keputusan yang telah dibuat merupakan satu keutamaan di dalam organisasi ini.*	1	2	3	4	5
17.	People in this organization are actively concerned about the public's interest. / *Semua pihak yang berada di dalam organisasi ini telibat secara aktif dalam menjaga kepentingan awam.*	1	2	3	4	5
18.	It is expected that employees will do what is right for the customer and public. / *Semua pekerja diharapkan akan melakukan yang terbaik untuk para pelanggan dan orang ramai.*	1	2	3	4	5
19.	People in this organization have a strong sense of responsibility to the outside community. / *Semua pihak di dalam organisasi ini mempunyai rasa tanggungjawab yang tinggi terhadap masyarakat luar.*	1	2	3	4	5
20.	This organization demands obedience to authority, without questions. / *Organisasi ini memerlukan taat setia untuk diberikan kepada pihak berkuasa, tanpa sebarang persoalan.*	1	2	3	4	5
21.	People in this organization are expected to do as they are told. / *Semua pihak di dalam organisasi ini diharapkan akan menjalankan tugas seperti yang dimaklumkan.*	1	2	3	4	5
22.	The top management is always right in this organization. / *Pengurusan atasan adalah sentiasa benar dalam organisasi ini.*	1	2	3	4	5
23.	Employees are required to acknowledge the ethics code. / *Semua pekerja dikehendaki mengakui kod etika.*	1	2	3	4	5
24.	The organization has established procedure for employees to ask questions about ethics code requirements. / *Organisasi ini telah mnyediakan prosedur untuk pekerja bertanyakan soalan mengenai keperluan kod etika.*	1	2	3	4	5
25.	The code of conduct is widely spread throughout the organization. / *Tatacara kelakuan dan tataterbit telah dimaklumkan kepada semua pihak di dalam organisasi.*	1	2	3	4	5
26.	Employees are regularly asserted that their actions are in	1	2	3	4	5

	compliance with the code of ethics. / *Semua pekerja selalu di ingatkan bahawa setiap perlakuan mereka perlulah selaras dengan kod etika..*					
27.	People in this organization are very concerned about what is best for themselves. / *Semua pihak di dalam organisasi ini amat mementingkan perkara yang terbaik untuk diri mereka sendiri.*	1	2	3	4	5
28.	In this organization, people protect their own interests above other considerations. / *Dalam organisasi ini, semua pihak melindungi kepentingan mereka sendiri melebihi pertimbangan perkara lain.*	1	2	3	4	5
29.	In this organization, each person is expected to know all above to work efficiently. / *Dalam organisasi ini, semua pihak diharapkan untuk mengetahui setiap perkara yang telah dinyatakan agar dapat bekerja dengan cekap.*	1	2	3	4	5
30.	The major responsibility of people in this organization is to consider efficiency first. / *Tanggungjawab utama semua pihak di dalam organisasi ini adalah untuk mengutamakan kecekapan.*	1	2	3	4	5
31.	Efficient solutions to problems are always sought here. / *Penyelesaian yang berkesan untuk setiap masalah sentiasa diutamakan di dalam organisasi ini.*	1	2	3	4	5
32.	The most efficient way is always the right way in this organization. / *Cara yang paling berkesan adalah cara yang betul dalam organisasi ini.*	1	2	3	4	5
33.	It is important to follow strictly the organization's rules and procedures. / *Adalah penting untuk mematuhi peraturan dan prosedur di dalam organisasi.*	1	2	3	4	5
34.	Everyone is expected to stick by organization's rules and procedures. / *Semua pihak diharapkan untuk mematuhi peraturan dan prosedur di dalam organisasi.*	1	2	3	4	5
35.	In this organization, people are guided by their own personal ethics. / *Dalam organisasi ini, semua pihak berpandukan kepada etika peribadi sendiri.*	1	2	3	4	5
36.	Each person in this organization decides for themselves what is right and wrong. / *Setiap orang di dalam organisasi ini menentukan sendiri perkara betul dan salah.*	1	2	3	4	5
37.	The most important concern in this organization is each person's own sense of right and wrong. / *Perkara yang diutamakan di dalam organisasi ini adalah kewajaran setiap pihak dalam menentukan perkara yang betul dan salah.*	1	2	3	4	5
38.	In this organization, people are expected to comply with the law and professional standards over and above other considerations. / *Di dalam organisasi ini, semua pihak diharapkan untuk mematuhi undang-undang dan piawai professional melebihi pertimbangan-pertimbangan yang lain..*	1	2	3	4	5
39	In this organization, people are expected to strictly follow	1	2	3	4	5

	legal or professional standards. / *Dalam organisasi ini, semua pihak diharapkan untuk mengikut piawai undang-undang atau profesional.*				

SECTION C: IMPACT ON ORGANIZATIONAL COMMITENT / *BAHAGIAN C: KESAN TERHADAP KOMITMEN ORGANISASI*

Please circle the number that best reflects your agreement to the following statements on a scale of 1 (Strongly Disagree) to 5 (Strongly Agree) as follows:
Sila bulatkan nombor yang mengambarkan sejauhmana anda bersetuju dengan kenyataan berikut mengikut skala 1 (Sangat tidak setuju) hingga 5 (Sangat setuju) seperti berikut:

Strongly Disagree (SD) *Sangat tidak bersetuju*	Disagree (D) *Tidak bersetuju*	Not Sure (NS) *Tidak Pasti*	Agree (A) *Bersetuju*	Strongly Agree (SA) *Sangat Bersetuju*
1	2	3	4	5

	Affective Organizational Commitment /*Komitmen Organisasi Afektif*					
40.	I would be very happy to spend the rest of my career with this organization. / *Saya akan menjadi sangat gembira untuk terus berkhidmat di dalam sisa kerjaya dengan organisasi ini.*	1	2	3	4	5
41.	I enjoy discussing my organization with people outside it. / *Saya suka membincangkan organisasi saya dengan orang-orang di luari.*	1	2	3	4	5
42.	I really feel as if this organization's problems are my own. / *Saya benar-benar berasa masalah organisasi seperti masalah saya sendiri*	1	2	3	4	5
43.	I think that I could easily become as attached to another organization as I am to this one. / *Saya berasakan bahawa saya mudah untuk menjadi sayang kepada organisasi yang lain sepertimana saya menyayangi organisasi ini.*	1	2	3	4	5
44.	I do not feel like 'part of the family' at my organization. / *Saya tidak berasa seperti 'sebahagian daripada keluarga' di organisasi saya.*	1	2	3	4	5
45.	I do not feel 'emotionally attached' to this organization. / *Saya tidak berasa beremosi terhadap organisasi ini.*	1	2	3	4	5
46.	This organization has a great deal of personal meaning for me. / *Organisasi ini mempunyai banyak makna yang bersifat peribadi bagi saya.*	1	2	3	4	5
47.	I do not feel a strong sense of belonging to my organization / *Saya tidak berasa seperti saya memiliki semangat kekitaan terhadap organisasi saya.*	1	2	3	4	5

	Continuance Organizational Commitment / *Komitmen Organisasi Continauance*					
48.	I am not afraid of what might happen if I quit my job without having another one lined up. / *Saya tidak takut terhadap perkara yang mungkin berlaku sekiranya saya berhenti kerja tanpa mempunyai satu lagi kerja yang menunggu.*	1	2	3	4	5
49.	It would be very hard for me to leave my organization right now, even if I wanted to. / *Ia akan menjadi sangat sukar bagi diri saya untuk meninggalkan organisasikan saya pada masa ini, walaupun saya mahu.*	1	2	3	4	5
50.	Too much in my life would be disrupted if I decided I wanted to leave my organization. / *Terlalu banyak dalam hidup saya akan terganggu sekiranya saya membuat keputusan untuk meninggalkan organisasi saya.*	1	2	3	4	5
51.	It wouldn't be too costly for me to leave my organization now. / *Ia tidak akan memberi sebarang kesan yang mendalam kepada diri saya untuk meninggalkan organisasi saya sekarang.*	1	2	3	4	5
52.	Right now, staying with my organization is a matter of necessity as much as desire. / *Buat masa ini, untuk terus kekal berkhidmat di dalam organisasi saya adalah satu keperluan dan keinginan.*	1	2	3	4	5
53.	I feel that I have too few options to consider leaving this organization. / *Saya merasakan bahawa saya mempunyai pilihan terlalu sedikit dalam membuat pertimbang untuk meninggalkan organisasi ini.*	1	2	3	4	5
54.	One of the few serious consequences of leaving this organization would be the scarcity of available alternatives. / *Salah satu daripada beberapa kesan yang serius apabila meninggalkan organisasi ini adalah kekurangan alternatif.*	1	2	3	4	5
55.	One of the major reasons I continue to work for this organization is because leaving would require considerable personal sacrifice — another organization may not match the overall benefits I have here. / *Salah satu sebab utama saya terus berkhidmat untuk organisasi ini adalah kerana ia memerlukan pengorbanan besar secara peribadi apabila meninggalkan organisasi sekarang ini – organisasi lain mungkin tidak sepadan dengan manfaat yang saya perolehi di sini.*	1	2	3	4	5
	Normative Organizational Commitment / *Komitmen organisasi Normatif*					
56.	I think that people these days move from company to company too often. / *Saya berpendapat bahawa golongan pekerja terlalu kerap bertukar dari satu syarikat yang lain pada masa ini.*	1	2	3	4	5
57.	I do not believe that a person must always be loyal to his or her organization. / *Saya tidak percaya bahawa seseorang perlu sentiasa setia kepada organisasi masing-*	1	2	3	4	5

	masing.					
58.	Jumping from one organization to another does not seem all unethical to me` / *Melompat dari satu organisasi ke organisasi yang lain tidak kelihatan seolah-olah satu perkara yang tidak beretika kepada kepada saya.*	1	2	3	4	5
59.	One of the major reasons I continue to work for this organization is that I believe that loyalty is important and therefore feel a sense of moral obligation to remain * / *Salah satu sebab utama saya terus berkhidmat untuk organisasi ini adalah kerana saya percaya bahawa kesetiaan adalah penting dan oleh itu merasakan satu kewajiban untuk kekal.*	1	2	3	4	5
60.	If i got another offer for a better job elsewhere I would not feel it was right to leave my organization */ *Jika saya mendapat satu lagi tawaran untuk kerja yang lebih baik di tempat lain saya tidak akan berasa ia adalah betul untuk meninggalkan organisasi saya *￼	1	2	3	4	5
61.	I was taught to believe in the value of remaining loyal to one organization. / *Saya diajar untuk percaya pada nilai tetap setia kepada satu organisasi.*	1	2	3	4	5
62.	Things were better in the days when people stayed with one organization for most of their careers * / *Keadaan menjadi lebih baik pada waktu dahulu apabila setiap pihak kekal berkhidmat di dalam satu organisasi sepanjang kerjaya mereka.*	1	2	3	4	5
63.	I do not think that wanting to be a 'company man' or 'company woman' is sensible anymore. / *Saya tidak berpendapat bahawa menjadi 'company man' atau 'company woman'' adalah boleh diterima lagi.*	1	2	3	4	5

SECTION D: LEVEL OF ETHICS AND INTEGRITY
Seksyen D: TAHAP ETIKA DAN INTEGRITI

There are 208 questions in 12 dimensions. Please tick (√) the number that best reflects your agreement o the following statements to the following statements on the scale of 1 (Strongly Disagree) to 5 (Strongly Agree).

Terdapat 208 soalan dalam 12 dimensi. Sila tandakan (√) nombor yang menggambarkan sejauhmana anda bersetuju dengan kenyatan berikut mengikut skala 1 (sangat tidak setuju) hingga 5 (Sangat Setuju).

Strongly Disagree (SD) *Sangat tidak bersetuju*	Disagree (D) *Tidak bersetuju*	Not Sure (NS) *Tidak Pasti*	Agree (A) *Bersetuju*	Strongly Agree(SA) *Sangat Bersetuju*
1	**2**	**3**	**4**	**5**
Vision and Goals: This section covers the organization's overall concept and approach to ethics and integrity, including its formal statement of the organization's underlying philosophy about ethical and moral conduct, and how these expectations are embedded in the organization. This benchmark includes how organizations identify and define				

their core ethical values or principles, as well as how organizations integrate those values into everyday business conduct. Listed below are statements related to vision and goals that might be applicable to your own organization. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Visi dan Matlamat: *Merujuk kepada konsep dan pendekatan menyeluruh terhadap konsep etika dan integriti organisasi harus diterapkan dalam struktur. Ini termasuklah pernyataan rasmi yang berkaitan dengan falsafah organisasi tentang kelakuan beretika dan bermoral, dan bagaimana harapan ini didasari. Tanda aras ini merangkumi cara organisasi mengenal pasti dan mentakrifkan nilai atau prinsip etika teras mereka, serta cara organisasi menyepadukan nilai tersebut dalam urusan perniagaan harian. Dengan definisi yang diberikan, sila nyatakan sejauh mana anda bersetuju dengan setiap pernyataan berikut. Tandakan (√) pada kotak, berdasarkan pengetahuan anda yang paling sesuai dengan organisasi anda.*

1	There is no explicit integrity vision, goals, policies, statement or program. / *Tiada visi, matlamat, dasar, pernyataan atau program etika dan integriti yang jelas dalam organisasi.*	1	2	3	4	5
2	Ethics and integrity is neither recognized nor discussed seriously. / *Etika dan integriti tidak diiktiraf mahupun dibincangkan dalam apa-apa urusan organisasi.*	1	2	3	4	5
3	"Integrity" is limited to legal compliance or the organization's formal internal rules structure. / *"Integriti" adalah terhad kepada pematuhan undang-undang atau struktur peraturan formal dalaman organisasi.*	1	2	3	4	5
4	A legalistic code of conduct or compliance-related policy exists. / *Satu legalistik tatakelakuan atau dasar berkaitan dengan wujudnya pematuhan.*	1	2	3	4	5
5	Integrity is tolerated only because it would be politically incorrect to fail to mention it. / *Integriti diterima hanya kerana ia akan menjadi politik yang dianggap melanggar sensitiviti jika tidak disebutnya.*	1	2	3	4	5
6	Little is done intentionally to embed integrity in the organization. / *Hanya sedikit usaha yang benar-benar dijalankan untuk menerapkan tindakan etika dalam organisasi.*	1	2	3	4	5
7	Integrity is seen as a requirement for organizational and individual performance. / *Integriti dilihat sebagai satu keperluan dalam prestasi organisasi dan individu.*	1	2	3	4	5
8	The organization has defined core values and communicates them on a regular basis. / *Organisasi saya telah mentarifkan nilai terasnya dan berkomunikasi secara berterusan.*	1	2	3	4	5
9	Executives in this organization understand and reinforce the connection between values, performance, and success. / *Eksekutif di organisasi saya memahami dan memperkukuh hubungan antara nilai etika, prestasi dan kejayaan*	1	2	3	4	5
10	The organization and its leaders recognize that legal conduct and ethical behaviour are not necessarily identical. / *Organisasi dan kepemimpinnya menyedari bahawa*	1	2	3	4	5

	pematuhan undang-undang dan kelakuan beretika tidak semestinya sama.					
11	The organization and its employees have specified their respective expectations in terms of integrity and ethical conduct. / *Organisasi dan pekerjanya telah mempunyai jangkaan masing-masing dari segi integriti dan kelakuan beretika.*	1	2	3	4	5
12	The organization is clearly shown that principles and upholding core ethical values come before closing a deal or profitability. / *Organisasi sangat jelas bahawa prinsip-prinsip dan nilai-nilai etika perlu didahulukan sebelum mencapai persetujuan atau keuntungan.*	1	2	3	4	5
13	All employees have standards of performance based upon the organization's core ethical values and their work is measured using these standards. / *Semua pekerja di dalam organisasi mempunyai standard prestasi berdasarkan nilai-nilai etika teras organisasi dan kerja mereka dinilai menggunakan standard ini.*	1	2	3	4	5
14	Ethical action and leadership are perceived as critical for the organization's continuing success. / *Tindakan kepimpinan dan beretika dianggap penting bagi mencapai kejayaan organisasi yang berterusan.*	1	2	3	4	5
15	All employees in the organization behave in a way that shows their commitment to achieve the organization's vision and ethical action. / *Semua pekerja dalam organisasi menunjukkan komitmen mereka untuk mencapai visi organisasi dan tindakan beretika.*	1	2	3	4	5
16	Each of the organization's integrity targets is reasonable, clear, measurable and achievable. / *Setiap organisasi mempunyai matlamat integriti yang munasabah, jelas, dinilai dan mampu dicapai.*	1	2	3	4	5
17	Integrity is not seen as an isolated program, but rather as key to growth and success. / *Integriti tidak dilihat sebagai program yang berasingan, sebaliknya dilihat sebagai kunci pembangunan dan kejayaan.* .	1	2	3	4	5
18	A majority of all employees rates the workplace as respectful of individuals, fair, open, and flexible. / *Sebahagian besar pekerja kami menganggap tempat kerja sebagai tempat yang menghormati individu, adil, terbuka dan fleksibel.*	1	2	3	4	5
19	The organization is frequently benchmarked for its ethics and integrity. *Etika dan integriti organisasi saya sering dijadikan penanda aras.*	1	2	3	4	5

Leadership: This section covers the responsibilities of the organization's leadership in shaping, guiding, and supporting the organization's ethics and integrity initiatives. It examines how leaders and managers are held accountable for promoting ethics and integrity. This category includes an assessment of the organization's "Tone from the Top" at both the senior executive and governance levels. Listed below are statements related to leadership that might be applicable to your own organization. Please indicate

your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Kepimpinan: Bahagian ini merangkumi tanggungjawab pucuk pimpinan organisasi dalam membentuk, membimbing dan menyokong inisiatif etika dan integriti organisasi. Bahagian ini mengkaji bagaimana pemimpin dan pengurus dipertanggungjawabkan bagi menggalakkan etika dan integriti. Kategori ini merangkumi penilaian "Suara dari pihak atasan" organisasi pada peringkat eksekutif dan tadbir urus kanan.. Senarai di bawah adalah kenyataan yang berkaitan dengan kepimpinan yang mungkin boleh diterima pakai bagi organisasi anda sendiri. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandaan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There is little or no active leadership, involvement, or accountability regarding ethics and integrity. / *Terdapat sedikit sahaja atau tiada langsung kepimpinan, penglibatan atau kebertanggungjawaban yang aktif berkenaan etika dan integriti.*	1	2	3	4	5
2	The leaders assume that their private moral codes are adequate to lead the organization. / *Pemimpin-pemimpin menganggap bahawa kod moral peribadi mereka adalah mencukupi untuk memimpin organisasi.*	1	2	3	4	5
3	The leaders talk down to employees, treating them like children. / *Pemimpin kami memandang rendah pada pekerja dengan melayan mereka seperti kanak-kanak.*	1	2	3	4	5
4	The leaders view ethics and integrity as mainly an HR or legal function. / *Pemimpin kami selalunya menganggap etika dan integriti sebagai fungsi Sumber Manusia atau perundangan*	1	2	3	4	5
5	The leaders accept some responsibility for integrity, especially as it relates to standard Employee Relations and Human Resources practices. / *Pemimpin memegang sebahagian tanggungjawab bagi integriti, terutamanya kerana ia berkaitan dengan amalan standard Hubungan Pekerja dan Sumber Manusia.*	1	2	3	4	5
6	The leaders need scripts to discuss ethics and integrity. / *Pemimpin perlu skrip untuk membincangkan etika dan integriti.*	1	2	3	4	5
7	Reactive measures are taken to deal with difficult ethical situations without consideration of establishing internal precedents. / *Langkah-langkah reaktif diambil untuk menangani situasi etika yang sukar tanpa pertimbangan untuk mewujudkan contoh dalaman.*	1	2	3	4	5
8	The leaders view promoting ethical conduct as part of their responsibilities and are held accountable for their own ethical behaviour. / *Pemimpin melihat usaha menggalakkan kelakuan beretika sebagai sebahagian daripada tanggungjawab mereka dan turut bertanggungjawab terhadap kelakuan beretika mereka sendiri.*	1	2	3	4	5
9	Some of the leaders in the organization are active champions of ethical action and the integrity function. / *Sesetengah pemimpin dalam organisasi merupakan*	1	2	3	4	5

	pejuang yang aktif berkaitan tindakan dan fungsi integriti.					
10	The leaders view integrity as a management level function, with direct impact on the organization's bottom line. / *Pemimpin-pemimpin melihat integriti sebagai fungsi tahap pengurusan, dengan memberi kesan langsung kepada keuntungan organisasi.*	1	2	3	4	5
11	The leaders understand that there is a direct connection between "tone from the top" and whether the organization enjoys a positive reputation for integrity. / *Para pemimpin memahami bahawa terdapat hubungan langsung antara budaya "suara dari pihak atas" dan sama ada organisasi mempunyai reputasi positif integriti.*	1	2	3	4	5
12	The leaders consistently act in ways that are consistent with the organization's values. / *Pemimpin secara konsisten bertindak dengan cara yang selaras dengan nilai-nilai organisasi.*	1	2	3	4	5
13	The leaders often make internal and external scripted and impromptu speeches or statements related to ethics and integrity to a variety of groups. / *Pemimpin sering memberikan ucapan atau membuat pernyataan dalaman atau luaran kepada pelbagai kumpulan berkaitan etika dan integriti.*	1	2	3	4	5
14	The board of directors' shares responsibility for integrating ethical conduct into the organisation's culture. / *Lembaga pengarah berkongsi tanggungjawab untuk menyepadukan kelakuan beretika dalam budaya organisasi.*	1	2	3	4	5
15	Most of the leaders receive training and coaching in integrity and provide coaching about integrity to others. / *Kebanyakan pemimpin menerima latihan dan bimbingan dalam integriti, dan memberikan bimbingan tentang integriti kepada orang lain.*	1	2	3	4	5
16	Ethical awareness, analysis, and action are routinely incorporated into selection, performance evaluation, and promotion decisions. / *Kesedaran etika, analisis, dan tindakan digabungkan dalam pemilihan, penilaian prestasi, dan keputusan kenaikan pangkat secara rutin.*	1	2	3	4	5
17	Management pay, bonuses and promotions of the leaders are tied to a variety of integrity indicators. / *Pengurusan gaji, bonus dan kenaikan pangkat para pemimpin terikat kepada pelbagai indeks integriti.*	1	2	3	4	5
18	Managing integrity is considered an essential leadership competency. / *Pengurusan integriti dianggap sebagai kecekapan pimpinan yang penting.*	1	2	3	4	5
19	The leaders are seen as role models for ethical behaviours. / *Pemimpin-pemimpin adalah dilihat sebagai model peranan kepada kelakuan beretika.*	1	2	3	4	5
20	The leaders and board members publicly support ethics and integrity initiatives, even when these initiatives are perceived to be controversial. / *Pemimpin-pemimpin dan ahli-ahli lembaga menyokong inisiatif etika dan integriti*	1	2	3	4	5

	secara terbuka, walaupun inisiatif ini menimbulkan kontroversi.					
21	The leaders and board members share a deep-seated commitment to ethical conduct as a foundation for the organization's culture. / *Pemimpin-pemimpin dan ahli-ahli lembaga berkongsi komitmen yang utuh terhadap kelakuan beretika sebagai asas budaya organisasi.*	1	2	3	4	5

Infrastructure: This section explores the way the organisation structures or organises its ethics and integrity function so that it can carry out its goals effectively. This category covers how the ethics function is structured, staff, and resources, as well as its formal and informal reporting relationships. This category also includes the roles and responsibilities of those individuals who are assigned to implement the ethics and integrity function. Listed below are statements related to integrity and ethics infrastructure that might be applicable to own organization. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Infrastruktur: Seksyen ini meneroka cara organisasi struktur atau menganjurkan etika dan fungsi integriti supaya ia dapat melaksanakan matlamat dengan berkesan. Kategori ini meliputi bagaimana fungsi etika distrukturkan, kakitangan, dan sumber, serta hubungan pelaporan rasmi dan tidak rasmi. Kategori ini juga termasuk peranan dan tanggungjawab individu-individu yang ditugaskan untuk melaksanakan etika dan fungsi integriti. Senarai di bawah adalah kenyataan yang berkaitan dengan integriti dan etika infrastruktur yang mungkin boleh diterima pakai bagi organisasi sendiri. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There is no organizational infrastructure or individual responsible for integrity. / *Tidak ada infrastruktur organisasi atau individu yang bertanggungjawab terhadap integriti.*	1	2	3	4	5
2	The integrity functions are performed as additional, secondary duties of mid-level staff. / *Fungsi integriti dilaksanakan oleh kakitangan peringkat pertengahan sebagai tugas tambahan atau sampingan.*	1	2	3	4	5
3	The organizational integrity is not recognized as a unique discipline requiring specialized skills, knowledge, and experience. / *Organisasi Integriti tidak diiktiraf sebagai satu disiplin unik yang memerlukan kemahiran, pengetahuan dan pengalaman yang khusus.*	1	2	3	4	5
4	The integrity officer reports to the senior management, or to another member of the executive team. / *Laporan pegawai integriti kepada pengurusan kanan, atau kepada ahli pasukan pnegurusan eksekutif lain.*	1	2	3	4	5
5	There is an integrity officer who is supported by a dedicated integrity function. / *Terdapat pegawai integriti yang disokong oleh fungsi integriti berdedikasi.*	1	2	3	4	5
6	A designated budget has been allocated to cover implementation of the integrity agenda. / *Belanjawan telah*	1	2	3	4	5

	diperuntukkan untuk memenuhi pelaksanaan agenda integriti.				
7	The integrity function is subject to regular audit oversight. / *Fungsi integriti adalah tertakluk pada pengawasan tetap audit.*	1	2	3	4	5
8	The integrity infrastructure encompasses all locations. / *Infrastruktur integriti merangkumi semua lokasi.*	1	2	3	4	5
9	A senior executive leads the integrity function, supported by a staff knowledgeable in integrity. / *Eksekutif kanan mengetuai fungsi integriti, disokong oleh kakitangan yang berpengetahuan dalam integriti.*	1	2	3	4	5
10	Adequate financial and other tangible resources are allocated annually to the integrity function. / *Sumber kewangan yang cukup dan lain-lain diperuntukkan setiap tahun kepada fungsi integriti.*	1	2	3	4	5
11	The integrity officer reports regularly to senior management on activities and results of the function. / *Pegawai integriti melaporkan secara tetap kepada pengurusan kanan mengenai aktiviti dan hasil fungsi integriti.*	1	2	3	4	5
12	Annual reports about integrity activities and results are made to the board of directors by the chief executive. / *Laporan tahunan tentang aktiviti dan hasil integriti dibuat kepada lembaga pengarah oleh ketua eksekutif.*	1	2	3	4	5
13	The integrity officer is a recognized and respected member of the senior management team. / *Pegawai integriti merupakan ahli pasukan pengurusan kanan yang diiktiraf dan dihormati.*	1	2	3	4	5
14	The integrity officer serves as an independent and confidential integrity advisor to senior management and board directors. / *Pegawai integriti berkhidmat sebagai penasihat integriti yang bebas dan sulit kepada pengarah pengurusan dan lembaga kanan.*	1	2	3	4	5
15	The integrity officer has a dual reporting relationship to senior management and the board of directors. / *Pegawai integriti mempunyai dua laporan yang berkaitan kepada pengurusan kanan dan lembaga pengarah.*	1	2	3	4	5
16	The integrity officer's remarks are not subject to pre-clearance by any member of senior management. / *Kenyataan pegawai integriti ini tidak tertakluk kepada kelulusan awal oleh mana-mana ahli pengurusan kanan.*	1	2	3	4	5
17	The ethics and integrity initiative is fully integrated into all organizational operations. / *Inisiatif etika dan integriti disepadukan sepenuhnya ke dalam semua operasi organisasi.*	1	2	3	4	5

Legal compliance, Policies and Rules: This section includes core laws, policies, rules, and guidance that comprise the legal framework for the organization's ethics and integrity systems. This section assesses the internal framework that provides the base for ethical behaviour. It also includes compliance with the external legal frameworks

within location of the organization operates. This section includes the systems and controls used to ensure and demonstrate that employees and the organisation are legally compliant. Essentially, the organization has translated its legal commitments into concrete actionable guidance that is enforceable. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Pematuhan undang-undang, Dasar dan Peraturan: *Seksyen ini termasuk undang-undang teras, dasar, peraturan, dan panduan yang terdiri daripada rangka kerja perundangan bagi etika organisasi dan sistem integriti. Seksyen ini menilai rangka kerja dalaman yang menyediakan asas untuk tingkah laku beretika. Ia juga termasuk mematuhi rangka kerja undang-undang luar di mana organisasi beroperasi. Seksyen ini termasuklah sistem dan kawalan yang digunakan untuk memastikan dan menunjukkan bahawa pekerja dan organisasi yang mematuhi undang-undang. Pada asasnya, organisasi ini telah menterjemahkan komitmen undang-undang ke dalam bimbingan diambil tindakan kukuh yang boleh dikuatkuasakan. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.*

1	The organisation has not adopted any compliance policies or rules. / *Organisasi ini tidak menerima pakai apa-apa dasar pematuhan atau peraturan-peraturan.*	1	2	3	4	5
2	The organisation has written policies and rules about ethics, integrity, and compliance. / *Organisasi ini mempunyai dasar dan peraturan bertulis tentang etika, integriti, dan pematuhan.*	1	2	3	4	5
3	The organization has adopted a code of conduct (or code of ethics) which outlines basic guidance about legal compliance for employees. / *Organisasi ini telah mengamalkan tatakelakuan yang mengariskan (atau kod etika) panduan asas tentang pematuhan undang-undang untuk pekerja.*	1	2	3	4	5
4	The policies and rules of the organisation's code of conduct is available only in the Bahasa Melayu or English-language version. / *Dasar-dasar dan peraturan tatakelakuan organisasi hanya boleh didapati dalam versi Bahasa Melayu atau bahasa Inggeris.*	1	2	3	4	5
5	The policies and rules that describe what employees should or should not do on behalf of the organisation are written in plain, easily understood style in the Bahasa Melayu or English language. / *Dasar-dasar dan peraturan yang menerangkan perkara yang boleh dan tidak boleh dilakukan oleh pekerja bagi bagi pihak organisasi ditulis dalam bahasa ringkas dan mudah difahami dalam Bahasa Melayu atau Bahasa Inggeris.*	1	2	3	4	5
6	The policies, rules, code of ethics or code of business conduct, are available in written, electronic format, and are freely available for all employees. / *Dasar dan peraturan, dan/atau tataetika dan pengendalian perniagaan tersedia dalam format bertulis dan elektronik serta boleh didapati oleh pekerja dengan mudah.*	1	2	3	4	5
7	The organisation updates regularly the policies and rules,	1	2	3	4	5

	and revises upon adoption. / *Organisasi sentiasa mengemaskini dasar dan peraturan, serta semak pekeliling apabila diterima pakai.*					
8	The code of conduct is based on the organisation's core ethical values and describes the type of business conduct expected of colleagues in all interactions. / *Tatakelakuan adalah berdasarkan nilai-nilai etika teras organisasi dan menerangkan jenis pengendalian perniagaan yang dijangka kepada rakan-rakan dalam semua interaksi.*	1	2	3	4	5
9	The organisation is knowledgeable and in compliance with the laws of all jurisdictions where it operates. / *Organisasi berpengetahuan luas dan mematuhi undang-undang semua bidang kuasa di mana ia beroperasi.*	1	2	3	4	5
10	The organisation's code of conduct specifies the mutual rights, duties, and obligations of both the organization and its employees. / *Tatakelakuan organisasi yang menetapkan hak, tugas, dan kewajiban organisasi dan kakitangannya.*	1	2	3	4	5
11	The code covers all types of employees. / *Kod ini merangkumi semua jenis pekerja.*	1	2	3	4	5
12	The organization's code of conduct is global but addresses legal variations across countries. / *Tatakelakuan organisasi adalah bersifat global tetapi mengambil kira kepelbagaian undang-undang di seluruh negara.*	1	2	3	4	5
13	The organisation's code conduct provides concrete guidance and examples of real situations. / *Tatakelakuan organisasi menyediakan panduan konkrit dan contoh situasi sebenar.*	1	2	3	4	5
14	The organisation has clearly described the ethical standards and principles expected of third parties. / *Organisasi menjelaskan standard dan prinsip etika yang diharapkan daripada pihak ketiga.*	1	2	3	4	5
15	The leaders in the organization uphold the code of conduct in everyday communication and decision-making. / *Ketua dalam organisasi mendukung tatakelakuan dalam komunikasi harian dan membuat keputusan.*	1	2	3	4	5
16	The organisation demonstrates transparency and accountability by requiring key employees to make regular disclosures concerning, for example, personal finances and conflicts of interest. / *Organisasi menunjukkan ketelusan dan kebertanggungjawaban dengan meminta kakitangan membuat pendedahan berkenaan, sebagai contoh, kewangan peribadi dan konflik kepentingan diri.*	1	2	3	4	5
17	The organisation's code of ethics and supporting rules and policies are seen as best practice documents in the industry. / *Tatakelakaun organisasi beretika serta menyokong peraturan dan dasar dilihat sebagai dokumen amalan terbaik dalam industri.*	1	2	3	4	5

Organizational Culture: This section deals with the overall organisation culture and how it promotes ethical conduct in the context of the organisational mission, vision,

structure, and strategy. This section explores the degree to which an organisation focuses on shaping its organisational culture (both written and unwritten rules that dictate how work is performed and goals reached) and whether that culture actively promotes ethical conduct. This section addresses how culture is defined (the history and traditions of the organisation), who "owns" and shapes culture, how culture is measured, and the degree to which employees find the culture supportive of ethics and integrity. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Budaya Organisasi: Bahagian ini adalah budaya organisasi keseluruhan dan bagaimana ia menggalakkan kelakuan beretika dalam konteks misi, visi, struktur dan strategi organisasi. Bahagian ini meneliti sejauh mana organisasi memberi tumpuan kepada membentuk budaya organisasi (kedua-dua peraturan bertulis dan tidak bertulis yang menentukan bagaimana kerja dilakukan dan matlamat dicapai) dan sama ada budaya yang aktif menggalakkan kelakuan beretika. Seksyen alamat bagaimana budaya ditakrifkan (sejarah dan tradisi organisasi), yang "memiliki" dan bentuk budaya, bagaimana budaya diukur, dan sejauh mana pekerja mencari budaya menyokong etika dan integriti. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	The organisation does not utter, assess or even describe the organisation's culture in relationship to ethics and integrity. / *Tiada perhatian diberikan untuk menyatakan, menilai atau menerangkan budaya organisasi yang berkaitan dengan etika dan integriti.*	1	2	3	4	5
2	The organisation has a mistrusting culture, and falls short on ethics and integrity. / *Organisasi mempunyai budaya tidak percaya, dan gagal memenuhi etika dan integrity*	1	2	3	4	5
3	Violations of rules and standards are justified by referring to national culture or practice. / *Pelanggaran peraturan dan standard diadili dengan merujuk kepada budaya atau amalan negara.*	1	2	3	4	5
4	Employees tend to keep low profiles in the organisation. / *Pekerja cenderung untuk bersikap tidak menonjolkan diri (low proflile) dalam organisasi.*	1	2	3	4	5
5	It is not considered safe to speak out about wrongdoings at the organisation. / *Adalah dianggap tidak selamat untuk membicarakan tentang tentang kesalahan di organisasi.*	1	2	3	4	5
6	With regard to integrity, the culture remains one of compliance and obedience to rules or laws, not values or principles. / *Dalam hal etika, budaya organisasi kekal sebagai kepatuhan dan ketaatan terhadap peraturan atau undang-undang, dan bukannya nilai atau prinsip sesaorang.*	1	2	3	4	5
7	Employees perceive a significant gap between the organisation's ethical communications and its actions. / *Pekerja melihat jurang yang ketara antara etika dalam komunikasi organisasi dan tindakan yang diambilnya.*	1	2	3	4	5
8	The culture of the organisation is regarded as relatively	1	2	3	4	5

	open. / *Budaya organisasi dianggap sebagai agak telus.*					
9	The organisation has committed itself towards ethics and integrity, even if there are some shortcomings. / *Organisasi memberi komitmennya kepada etika dan integriti, walaupun terdapat beberapa kelemahan.*	1	2	3	4	5
10	The history and traditions of the organisation are well known. / *Sejarah dan tradisi organisasi diketahui dengan baik.*	1	2	3	4	5
11	Leaders voice out and describe the organisation's culture in terms of its values, mission, and integrity commitments to stakeholders. / *Ketua-ketua menyuarakan dan menggambarkan budaya organisasi dari segi nilai, misi, dan komitmen integriti kepada pihak berkepentingan.*	1	2	3	4	5
12	There are positive role models among the leaders in the organization. / *Terdapat model peranan positif di kalangan ketua dalam organisasi.*	1	2	3	4	5
13	Employees generally feel good about the organisation and its mission, commitment to social responsibility and can identify specific examples of positive ethical conduct. / *Pekerja umumnya merasa lebih selesa tentang organisasi dan misinya, serta komitmen kepada tanggungjawab sosial dan boleh mengenal pasti contoh-contoh tertentu kelakuan beretika positif.*	1	2	3	4	5
14	Employees feel safe to speak out (for example, to blow the whistle) if they encounter fraud or other wrongdoing in the organisation. / *Pekerja berasa selamat untuk bersuara (contohnya, untuk "mendedahkan maklumat") jika mereka berhadapan penipuan atau salah laku dalam organisasi.*	1	2	3	4	5
15	The organisation is transparent about its commitments towards ethics and integrity, and willingly to share both successes and failures with internal and external audiences. / *Organisasi ini adalah telus mengenai komitmennya terhadap etika dan integriti, dan bersedia untuk berkongsi kejayaan dan kegagalan dengan pihak dalaman dan luaran.*	1	2	3	4	5
16	Most employees are very proud to work in the organization and would describe it as a great place to work. / *Kebanyakan pekerja amat berbangga untuk bekerja di organisasi dan menggambarkannya sebagai tempat kerja yang bagus.*	1	2	3	4	5
17	The employees easily identify integrity role models in the current leadership ranks as well as in the organization's past leaders. / *Pekerja mengenal pasti dengan mudah model peranan berintegriti dalam barisan kepemimpinan semasa dengan baik dan mantan pemimpin organisasi.*	1	2	3	4	5
18	The organisation takes the long-term view, never sacrificing principles for short-term gain. / *Organisasi ini mengambil pandangan jangka panjang, tidak pernah mengabaikan prinsip-prinsip untuk keuntungan/hasil jangka pendek.*	1	2	3	4	5

19	The organisation describes its commitment towards ethical conduct and accountability, in its annual report or through other publicly available communication channels. / *Organisasi ini menerangkan komitmennya terhadap kelakuan yang beretika dan kebertanggujawapan, dalam laporan tahunannya atau melalui saluran komunikasi lain kepada umum.*	1	2	3	4	5
20	Ethics and integrity are never compromised in the organisation. / *Organisasi tidak pernah bertolak ansur dalam hal etika dan integriti.*	1	2	3	4	5

Disciplinary Measures and Reward: This section attempts to examine how the organization sets and enforces its standards for ethical and integrity conduct. This section also addresses rewards and punishments, incentives that promote ethical behaviour, and disciplinary action taken to limit or punish unethical work conduct. This section includes how the organization promotes ethical conduct through its performance appraisal process, and whether ethical conduct is linked to compensation and/or other types of non-monetary benefits. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Langkah-langkah tatatertib dan Ganjaran: Seksyen ini bertujuan untuk mengkaji bagaimana organisasi menetapkan dan menguatkuasakan standard untuk kelakuan yang beretika dan berintegriti. Seksyen ini juga menangani ganjaran dan hukuman, insentif yang menggalakkan perlakuan beretika, dan tindakan tatatertib yang diambil untuk menghadkan atau menghukum kelakuan kerja tidak beretika. Seksyen ini termasuk bagaimana organisasi menggalakkan kelakuan beretika melalui proses penilaian prestasi, dan sama ada tingkah laku etika dikaitkan dengan pampasan dan / atau lain-lain jenis manfaat bukan kewangan. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	The organisation has no policy addressing breaches of ethics or integrity. / *Organisasi tidak mempunyai dasar yang menangani pelanggaran etika atau integriti.*	1	2	3	4	5
2	The organisation has no explicit disciplinary action for wrongdoing or misconduct. / *Organisasi ini tidak mempunyai tindakan disiplin yang jelas untuk kesalahan atau salah laku*	1	2	3	4	5
3	The organisation has no explicit system to reward ethical action. / *Organisasi ini tidak mempunyai sistem yang jelas untuk memberi ganjaran kepada tindakan beretika.*	1	2	3	4	5
4	Consequences from unethical behaviour in the organisation are only addressed if it adversely impacts the business results. / *Kesan daripada perlakuan tidak beretika dalam organisasi hanya akan ditangani jika memberi kesan buruk terhadap aktiviti perniagaan.*	1	2	3	4	5
5	Unfair treatment especially by management in the organisation is not directly addressed. / *Layanan yang tidak adil terutama oleh pengurusan dalam organisasi tidak ditangani secara langsung.*	1	2	3	4	5
6	The organisation has explicit policies for breaches of	1	2	3	4	5

	integrity. / *Organisasi mempunyai dasar yang jelas bagi pelanggaran integriti.*					
7	The organisation has in place formal investigative procedures that result in prompt, thorough, fair, and effective fact-finding. / *Organisasi telah menyediakan prosedur siasatan rasmi yang menghasilkan pencarian fakta yang cepat, teliti, adil dan berkesan.*	1	2	3	4	5
8	The organisation usually imposes disciplinary measures when appropriate. / *Organisasi ini mengenakan tindakan disiplin apabila perlu.*	1	2	3	4	5
9	A formal performance appraisal system does not include ethics and integrity measures. / *Sistem penilaian prestasi rasmi tidak memasukkan pengukuran etika dan integriti.*	1	2	3	4	5
10	The organisation supports appropriate discipline by recognising and rewarding ethical behaviour. / *Organisasi menyokong tindakan displin yang sewajarnya dengan mengiktiraf dan memberi ganjaran terhadap kelakuan beretika.*	1	2	3	4	5
11	Leaders in the organisation are experienced in taking disciplinary measures, and reward good conduct. / *Ketua-ketua dalam organisasi berpengalaman dalam mengambil tindakan disiplin, dan memberi ganjaran kepada kelakuan yang baik.*	1	2	3	4	5
12	The performance of management system consists of employee behaviour that fails or meets the expectations of the organisation's value and ethical principles. / *Prestasi sistem pengurusan mengandungi rekod perlakuan pekerja yang memenuhi atau tidak memenuhi jangkaan nilai dan prinsip etika organisasi.*	1	2	3	4	5
13	The organisation takes disciplinary action against high-performing, senior leaders who have acted unethically. / *Organisasi tidak teragak-agak mengambil tindakan displin terhadap pihak atasan yang tak beretika.*	1	2	3	4	5
14	The organisation is regarded as being fair in the internal administration of justice (for example, dispute resolution system). / *Organisasi dianggap sebagai berlaku adil dalam pentadbiran dalaman keadilan (contohnya prosedur ketidakpuasan atau sistem penyelesaian pertikaian).*	1	2	3	4	5
15	The organisation's policies and guidelines are for discipline and reward and regarded as "best practice". / *Dasar dan garis panduan organisasi adalah untuk disiplin dan ganjaran dan dianggap sebagai "amalan terbaik".*	1	2	3	4	5
16	Ethical conduct is seen as critical elements for promotion and advancement at all levels in the organisation. / *Kelakuan beretika dilihat sebagai elemen-elemen penting untuk kenaikan pangkat dan kemajuan setiap peringkat dalam organisasi.*	1	2	3	4	5
17	Leaders understand what motivates employees to act ethically and have the training to motivate ethical behaviour. / *Ketua-ketua memahami apa yang mendorong*					

	pekerja untuk bertindak secara beretika, dan mempunyai latihan untuk memberi motivasi bagi menggalakan perlakuan beretika.					

Measurement, Research, and Assessment: This section evaluates how ethics and integrity are measured, whether your organisation undertakes research to support ethics strategies that create a culture of ethics and integrity, and the organisation's assessment processes around ethics, integrity and organisational culture. This category includes the organisation's commitment to continuous improvement, based on benchmarking and other evaluation methodologies. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Pengukuran, Penyelidikan, dan Penilaian: Seksyen ini menilai bagaimana etika dan integriti diukur, sama ada organisasi anda menjalankan penyelidikan bagi menyokong etika strategi yang mewujudkan budaya etika dan integriti, dan proses penilaian organisasi sekitar etika, integriti dan budaya organisasi. Kategori ini termasuk komitmen organisasi untuk penambahbaikan yang berterusan, berdasarkan tanda aras dan kaedah penilaian lain. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandaan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

#	Statement					
1	There are no systems or practices to gather information about employee or stakeholder perceptions of the organisation's reputation. / *Tiada sistem atau amalan untuk mengumpul maklumat mengenai persepsi pekerja atau pihak berkepentingan terhadap reputasi organisasi.*	1	2	3	4	5
2	Some feedback on ethics and integrity are solicited in general employee and customer surveys, market research, internal reviews, and climate studies. / *Beberapa maklum balas mengenai etika dan integriti diperolehi daripada pekerja am dan kaji selidik pelanggan, penyelidikan pasaran, ulasan dalaman, dan kajian persekitaran.*	1	2	3	4	5
3	External best practices are studied. / *Amalan terbaik luaran dikaji.*	1	2	3	4	5
4	The ethics professionals in the organisation (such as, integrity officers) are expected to stay current with industry-wide developments in the field. / *Ahli profesional etika dalam organisasi (seperti, pegawai integriti) diperlukan untuk sentiasa mengikuti perkembangan industri yang luas dalam bidang ini.*	1	2	3	4	5
5	Specific instruments and techniques are used to assess progress and impact of specific ethical concerns. / *Instrumen dan teknik-teknik khusus digunakan untuk menilai perkembangan serta isu tertentu berkaitan etika.*	1	2	3	4	5
6	The organisation disseminates its evaluation results on an annual basis. / *Organisasi mewar-warkan hasil penilaian pada setiap tahun.*	1	2	3	4	5
7	Input from internal and external stakeholders shapes initiatives, monitoring, and evaluation of ethics and integrity. / *Input daripada pihak berkepentingan dalaman dan luaran membentuk inisiatif, pemantauan, dan penilaian etika dan*	1	2	3	4	5

	integriti.					
8	Internal and external best practices are studied and benchmarking with similar organizations is undertaken. / *Amalan terbaik dalaman dan luaran dikaji dan penandaarasan dengan organisasi yang sama dilaksanakan.*	1	2	3	4	5
9	The organisation participates in third-party evaluations, surveys and studies, focused on integrity awareness, ethical action, and ethical leadership. / *Organisasi ini mengambil bahagian dalam penilaian pihak ketiga, kaji selidik dan kajian, memberikan tumpuan kepada kesedaran integriti, tindakan beretika, dan kepimpinan beretika.*	1	2	3	4	5
10	The organisation monitors how employees view the internal environment for ethical action. / *Organisas memantau bagaimana cara pekerja melihat persekitaran dalaman untuk tindakan beretika.*	1	2	3	4	5
11	The organisation regularly reviews ethics benchmarks, both within its industry/sector and across industries/sectors. / / *Organisasi sering mengkaji semula penanda aras etika dalam industri/sektornya dan keseluruhan industri/sektor.*	1	2	3	4	5
12	The organisation fully aware of the cost of non-compliance. / *Organisasi saya menyedari sepenuhnya kos ketakpatuhan.*	1	2	3	4	5
13	Ethics and integrity are regularly incorporated into organisational culture surveys and assessments. / *Etika dan integriti sering dimasukkan ke dalam kajian dan penilaian budaya organisasi.*	1	2	3	4	5
14	The organisation is fully transparent with its external stakeholders on the activities, results, and outcomes of its ethics measurement and research. / *Organisasi adalah telus sepenuhnya dengan pihak berkepentingan luaran tentang aktiviti-aktiviti, keputusan, serta hasil dari penilaian dan penyelidikan etikanya.*	1	2	3	4	5
15	The organisation publishes annual reports on ethics and integrity. / *Organisasi menerbitkan laporan tahunan tentang etika dan integriti.*	1	2	3	4	5
16	Assessments that focus on ethical conduct, legal compliance, leadership commitment to ethical action, and reputational risk exposure are performed regularly. / *Penilaian yang berfokus kepada kelakuan beretika, pematuhan undang-undang, komitmen kepimpinan terhadap tindakan beretika dan pendedahan risiko reputasi dilaksanakan secara tetap.*	1	2	3	4	5
17	The organisation communicates the impact and return on the investment of all components of its integrity initiatives. *Organisasi memaklumkan tentang kesan dan pulangan ke atas pelaburan bagi semua komponen inisiatif integritinya.*	1	2	3	4	5

Confidential Advice and Support: This section covers how the organisation provides confidential, neutral, professional and independent ethics advice to employees, supervisors, managers, executives, members of the governing bodies and other stakeholders. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organisation to the best of your

knowledge.

Nasihat dan Sokongan Persendirian: Seksyen ini meliputi bagaimana organisasi menyediakan etika sulit, berkecuali, profesional dan bebas nasihat kepada pekerja, penyelia, pengurus, eksekutif, ahli-ahli badan-badan yang mengawal dan pihak berkepentingan yang lain. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There is no special resource available for those who seek ethics advice confidentially. / *Tidak ada sumber khusus yang disediakan untuk mereka yang mendapatkan nasihat etika secara rahsia.*	1	2	3	4	5
2	The organisation draws minimal distinctions between seeking ethical advice versus seeking legal advice. / *Organisasi melakar perbezaan minimum antara mendapatkan nasihat tentang etika dengan mendapatkan nasihat perundangan.*	1	2	3	4	5
3	The organisation's chief legal officer is viewed as the ultimate source for best ethical advice. / *Ketua pegawai undang-undang organisasi dianggap sebagai sumber utama untuk mendapatkan nasihat terbaik tentang etika.*	1	2	3	4	5
4	Employees are encouraged to speak directly to their leaders if they have questions about ethics, integrity, or compliance. / *Pekerja digalakkan untuk terus bercakap dengan pengurus atau penyelia masing-masing jika mereka mempunyai apa-apa pertanyaan tentang etika, integriti atau pematuhan.*	1	2	3	4	5
5	The organisation does not guarantee that ethics advice is confidential. / *Organisasi tidak menjamin bahawa nasihat etika adalah sulit.*	1	2	3	4	5
6	The organisation has a private office to provide ethics advice and counselling. / *Organisasi ini mempunyai pejabat persendirian bagi memberi nasihat dan kaunseling tentang etika.*	1	2	3	4	5
7	This private office is outside of the operational chain of command. / *Pejabat persendirian ini adalah di luar rangkaian perintah operasi.*	1	2	3	4	5
8	All calls and inquiries seeking ethics and integrity advice are handled in confidence. / *Semua panggilan dan pertanyaan untuk mendapatkan nasihat tentang etika dan integriti diuruskan secara rahsia.*	1	2	3	4	5
9	Integrity officer is encouraged to cross check his/her advice with the legal officer. / *Pegawai Integriti digalakkan untuk menyemak silang nasihat beliau dengan pegawai undang-undang.*	1	2	3	4	5
10	All employees are aware of the integrity functions in the organisation and its availability to provide confidential advice when needed. / *Semua kakitangan menyedari fungsi integriti dalam organisasi dan ketersediannya untuk memberikan nasihat persendirian apabila diperlukan.*	1	2	3	4	5
11	Employees who seek confidential ethics advice and fully disclose all facts and circumstances can rely upon the advice	1	2	3	4	5

	they are provided. / *Pekerja yang mendapatkan nasihat persendirian tentang etika dan mendedahkan sepenuhnya semua fakta dan keadaan bergantung nasihat yang diberikan kepada mereka.*					
12	The organisation's policies prohibit retaliation or retribution and protect employees who seek for confidential ethics advice. / *Dasar organisasi melarang tindakan balas atau perbuatan membalas dendam dan melindungi pekerja yang mendapatkan nasihat persendirian tentang etika.*	1	2	3	4	5
13	All levels of employees are comfortable seeking for ethics advice independently, confidentially and neutrally. / *Semua peringkat pekerja berasa selesa mendapatkan nasihat tentang etika secara bebas, persendirian dan berkecuali.*	1	2	3	4	5
14	Leaders actively encourage staffs to obtain ethics advice whenever he/she perceives or believes that an ethical issue has arisen. / *Ketua-ketua secara aktif menggalakkan kakitangan untuk mendapatkan nasihat tentang etika apabila sesiapa sahaja menganggap atau percaya bahawa sesuatu isu etika telah timbul.*	1	2	3	4	5
15	The confidentiality of the ethics advisory process is respected at all levels of the organisation. / *Kerahsiaan proses nasihat etika dihormati di semua peringkat organisasi.*	1	2	3	4	5
16	The integrity officer is authorised to issue "safe harbour" letters so that employees, who are seeking for advice, are reassured that they cannot be disciplined because they relied upon that advice. / *Ketua pegawai etika/integriti kami diberi kuasa untuk mengeluarkan surat "pengecualian tanggungan/liabiliti" supaya pekerja yang mendapatkan nasihat tentang etika diberikan jaminan bahawa mereka tidak boleh dikenakan tindakan tatatertib kerana bergantung pada nasihat tersebut.*	1	2	3	4	5

Ethics Training and Education: This section examines ethics and integrity awareness, skill-building training and education, and the integration of such trainings into the overall development of all employees. This category includes the provision of ethics-related training and skill building throughout the life cycle of staff members, and the degree to which these initiatives are integrated into other organisation-wide training commitments. Please indicate your level of agreement to each statement by placing a tick ($\sqrt{}$) to the most appropriate box pertaining to your organization to the best of your knowledge.

Latihan dan Pendidikan Etika: Bahagian ini mengkaji kesedaran etika dan integriti, latihan dan pendidikan pembangunan kemahiran, serta penyepaduan latihan tersebut ke dalam pembangunan menyeluruh semua pekerja. Kategori ini termasuk penyediaan latihan berkaitan etika dan pembangunan kemahiran sepanjang hidup anggota kakitangan, dan sejauh mana inisiatif ini disepadukan ke dalam komitmen latihan yang lain di seluruh organisasi. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan ($\sqrt{}$) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There is no formal integrity education provided to employees	1	2	3	4	5

	or other stakeholders. / *Tiada pendidikan formal tentang integriti yang disediakan kepada pekerja atau pihak berkepentingan yang lain.*					
2	Training programs on integrity are brief and focus on informing employees about policies and meeting legal requirements. / *Program latihan mengenai integriti adalah ringkas dan memberikan tumpuan kepada memaklumkan pekerja tentang dasar dan memenuhi kehendak undang-undang.*	1	2	3	4	5
3	Person who is in charge of designing and delivering training do not have specific expertise in integrity. / *Orang yang membentuk dan menyampaikan latihan tidak mempunyai kepakaran khusus dalam integriti.*	1	2	3	4	5
4	Integrity training is provided, but it is offered as a stand-alone course rather than being integrated with the overall training curriculum. / *Latihan integriti disediakan, tetapi ia ditawarkan sebagai kursus tunggal dan bukannya disepadukan dalam kurikulum latihan secara keseluruhan.*	1	2	3	4	5
5	Training focuses more on rules and the organisation's expectations than on integrity analysis. / *Latihan memberikan tumpuan yang lebih kepada peraturan dan harapan organisasi berbanding analisis integriti.*	1	2	3	4	5
6	More integrity training is delivered through self-study rather than delivered by instructor. / *Lebih banyak latihan integriti disampaikan melalui belajar sendiri dengan bimbingan pengajar.*	1	2	3	4	5
7	Integrity training occurs at new hire and upon promotion to management department. / *Latihan integriti diberikan semasa pengambilan pekerja baru dan apabila dinaikkan pangkat ke bahagian pengurusan.*	1	2	3	4	5
8	Leaders in the organisation are expected to conduct training as part of team meetings using provided instructor guides or toolkits. / *Ketua-ketua dalam organisasi diharapkan untuk menganjurkan latihan sebagai sebahagian dari mesyuarat kumpulan mengunakan panduan pengajar atau kit wahana ("tool kits") yang disediakan.*	1	2	3	4	5
9	The organisation exposes employee with relevant cases to assists them in ethical problem solving. / *Organisasi ini mendedahkan pekerja dengan kes-kes yang berkaitan untuk membantu mereka dalam etika penyelesaian masalah.*	1	2	3	4	5
10	The organisation has adopted a specific integrity decision-making methodology, tied to its core ethical values, that enables employees to solve ethical dilemmas. / *Organisasi ini telah mengamalkan kaedah terperinci dalam membuat keputusan berintegriti dan terikat dengan nilai etika teras, bagi membantu pekerja menyelesaikan dilema etika*	1	2	3	4	5
11	Employees who are directly involved in promoting integrity culture are given additional support and training. / *Pekerja terlibat secara langsung dalam mempromosikan budaya integriti diberi sokongan dan latihan tambahan.*	1	2	3	4	5

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12	Integrity is included in various trainings organised by the organisation. / *Integriti dimasukkan dalam pelbagai latihan yang dianjurkan oleh organisasi.*	1	2	3	4	5
13	Senior managers endorse and voluntarily attend integrity training. / *Pengurus kanan menyokong dan menghadiri latihan integrity secara sukarela.*	1	2	3	4	5
14	The function of integrity staffs is to help design, develop, deliver, and reinforce learning from the training. / *Fungsi kakitangan integriti membantu mereka bentuk, membangun, menyampaikan, dan mengukuhkan pembelajaran daripada latihan.*	1	2	3	4	5
15	The organisation provides minimum number of state-of-the-art integrity training per year to all board members and employees. / *Organisasi menyediakan jumlah minimum latihan terkini integriti kepada semua ahli lembaga pengarah serta pekerja.*	1	2	3	4	5
16	Integrity training is integrated into the organisation's staff development program. / *Latihan integriti disepadukan dalam program pembangunan kakitangan organisas.*	1	2	3	4	5
17	Integrity training is formally evaluated for effectiveness, and constantly updated and improved. / *Latihan integriti dinilai secara rasmi untuk keberkesanan, dan sentiasa dikemaskini dan ditambah baik.*	1	2	3	4	5
18	The organization promotes transparency related to all of its activities. / *Organisasi bekerjasama dengan pihak berkepentingan yang lain untuk memperbaiki latihan integriti.*	1	2	3	4	5

Ethics Communications: This section describes how the ethics and integrity initiative is articulated and promoted, both internally and externally. This category covers how the organization defines its stakeholders and how it gears its key messages to distinct audiences. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Etika Komunikasi: Seksyen ini menerangkan bagaimana etika dan inisiatif integriti dijelaskan dan digalakkan, kedua-dua dalaman dan luaran. Kategori ini meliputi bagaimana organisasi mentakrifkan pihak berkepentinganya dan cara bagaimana menyampaikan mesej utama kepada hadirin yang berbeza. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There are no formal communications or discussions about integrity. / *Tiada komunikasi rasmi atau perbincangan tentang integriti*	1	2	3	4	5
2	Some of the managers talk about integrity informally or on an ad hoc basis. / *Sebahagian daripada pengurus bercakap tentang integriti secara tidak rasmi atau berasaskan ad hoc.*	1	2	3	4	5
3	Someone in Human Resources or management occasionally reminds employees about policies and compliance requirements. / *Seseorang dalam Sumber Manusia atau*	1	2	3	4	5

	pengurusan kadang-kadang mengingatkan pekerja tentang dasar dan keperluan pematuhan.					
4	Website information (or static printed literature) is available about integrity. / *Maklumat dalam laman sesawang (atau risalah bercetak statik) terdapat tentang integriti.*	1	2	3	4	5
5	The organisation sponsors a forum for employees to discuss integrity issues and to provide input to the organisation. / *Organisasi menaja forum untuk pekerja bagi membincangkan isu-isu integriti dan memberi input kepada organisasi.*	1	2	3	4	5
6	Employees learn about the organisation's integrity values from variety of ways e.g. website, newsletter, e-mails etc. / *Pekerja belajar tentang nilai-nilai integriti organisasi dari pelbagai cara cth laman web, surat berita, e-mel dan lain-lain.*	1	2	3	4	5
7	Integrity issues are regularly included in the organizational communication channels. / *Isu integriti kerap dimasukkan ke dalam saluran komunikasi organisasi.*	1	2	3	4	5
8	All employees have access to organisational website on vision, goals, and results regarding integrity. / *Semua pekerja mempunyai akses ke laman web organisasi dalam mengandungi visi, matlamat dan keputusan berkaitan integrity.*	1	2	3	4	5
9	The organisation conducts outreach to its stakeholders in an effort to promote transparency and integrity. / *Organisasi menjalankan program untuk pihak berkepentingannya dalam usaha untuk menggalakkan ketelusan dan integriti.*	1	2	3	4	5
10	The organisation publishes an annual report about its integrity programmes and distributes this report both inside and outside of the organisation. / *Organisasi ini menerbitkan laporan tahunan mengenai program integriti dan mengedarkan laporan ini di dalam dan di luar organisasi.*	1	2	3	4	5
11	The leaders promote the organisation's vision and emphasize integrity in their internal and external speeches. / *Ketua menggalakkan visi organisasi dan menekankan integriti dalam ucapan dalaman dan luaran mereka.*	1	2	3	4	5
12	The main integrity issues are routinely included in the organisation's communication channels. / *Isu integriti utama secara rutin termasuk dalam saluran komunikasi organisasi.*	1	2	3	4	5
13	Communicating ethical conduct and integrity is an important aspect of promoting the reputation of the organisation. / *Berkomunikasi kelakuan beretika dan integriti adalah satu aspek penting dalam mempromosikan reputasi organisasi.*	1	2	3	4	5
14	The organisation sponsors events that promote and increase awareness on ethical business conduct. / *Organisasi menganjurkan acara-acara yang menggalakkan dan meningkatkan kesedaran terhadap perlakuan perniagaan yang beretika.*	1	2	3	4	5
15	The organisation consistently highlights integrity and share successes in both its internal and external communications. / *Organisasi secara konsisten menekankan integriti dan*	1	2	3	4	5

	berkongsi kejayaan dalam kedua-dua komunikasi dalaman dan luaran					
16	The leaders regularly speak about integrity commitments, challenges, and successes and encourage feedback on their actions. / *Ketua-ketua sering bercakap mengenai komitmen integriti, cabaran, dan kejayaan dan menggalakkan maklum balas mengenai tindakan mereka.*	1	2	3	4	5
17	The leaders are willing to engage in conversations that explore integrity issues that they have faced. / *Ketua-ketua sanggup melibatkan diri dalam komunikasi untuk meneroka isu-isu berkaitan integriti yang mereka hadapi.*	1	2	3	4	5
18	The organisation promotes transparency related to all of its activities. / *Organisasi menggalakkan ketelusan yang berkaitan dengan semua aktivitinya.*	1	2	3	4	5

Whistleblowing: This section investigates how your organisation encourages individuals (both internal and external to the entity) to speak up and make reports of misconduct. This category also investigates the methods and protections offered to individuals who wish to make their organization free from possible unethical behaviour, misconduct or any illegal actions. It includes the making of both confidential and anonymous reports, and the systems used by the organisation to protect whistleblowers from retaliation or retribution. Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organisation to the best of your knowledge.

Pendedahan maklumat: Bahagian ini meneliti bagaimana organisasi anda menggalakkan individu (kedua-dua dalaman dan luaran untuk entiti) untuk bersuara dan membuat laporan kelakuan yang meragukan. Kategori ini meneroka kaedah dan perlindungan yang ditawarkan kepada individu yang menyedari kemungkinan berlakunya tingkah laku yang tidak beretika dalam organisasi, salah laku atau mana-mana tindakan yang menyalahi undang-undang. Ia termasuklah keduanya iaitu laporan sulit dan laporan tanpa nama, serta sistem yang digunakan oleh organisasi untuk melindungi pemberi maklumat daripada tindakan balas atau hukuman. Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandaan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	Employees are not encouraged to speak up or bring concerns or complaints to the attention of management. / *Pekerja tidak digalakkan untuk bersuara atau membawa masalah atau aduan kepada perhatian pihak pengurusan.*	1	2	3	4	5
2	Organisational policies do not highlight on protecting employees from retaliation or retribution. / *Dasar organisasi tidak menyebut tentang perlindungan terhadap pekerja daripada tindakan balas atau perbuatan membalas dendam.*	1	2	3	4	5
3	The employees are directed to inform their manager or supervisor about unethical behaviour or misconduct. / *Kakitangan diarahkan untuk memberitahu pengurus atau penyelia mereka tentang perlakuan yang tidak beretika atau salah laku.*	1	2	3	4	5
4	The organisation has a policy that encourages employees to follow the "chain of command" when facing workplace	1	2	3	4	5

	issues. *Organisasi ini mempunyai dasar yang menggalakkan pekerja untuk mengikuti "rantaian perintah" apabila berhadapan dengan isu-isu di tempat kerja.*					
5	The organisation does not encourage or support anonymous' complaint regarding unethical behaviour. / *Organisasi ini tidak menggalakkan atau menyokong tindakan mengemukan aduan tanpa nama mengenai perlakuan tidak beretika.*	1	2	3	4	5
6	The organisation offers a channel where employees can bring up concerns or complaints regarding unethical behaviour or misconduct. / *Organisasi ini meyediakan saluran di mana yang boleh digunakan pekerja untuk mengemukan isu atau aduan mengenai perilaku tidak beretika atau salah laku.*	1	2	3	4	5
7	The organisation promises some measure of confidentiality in solving concerns regarding ethics and integrity issues at workplace. / *Organisasi ini menjanjikan beberapa langkah kerahsiaan tertentu dalam menyelesaikan kebimbangan isu etika dan integrity ditempat kerja.*	1	2	3	4	5
8	A "hotline" or "helpline" service provides channels for both anonymous as well as confidential complaints. / *Perkhidmatan "hotline" atau "talian bantuan" menyediakan saluran untuk pengadu tanpa nama serta pengadu rahsia.*	1	2	3	4	5
9	Calls reported to the hotline or helpline are evaluated by the integrity officer to determine whether they requires follow-up, investigation, or solution. / *Panggilan yang dilaporkan ke talian penting atau talian bantuan ditentukan oleh pegawai integriti untuk menentukan sama ada mereka memerlukan tindakan susulan, penyiasatan, atau penyelesaian.*	1	2	3	4	5
10	Retaliation and retribution against those who speak up is specifically prohibited. / *Tindakan balas dan perbuatan membalas dendam terhadap mereka yang mengemukan aduan dilarang sama sekali*	1	2	3	4	5
11	Retaliation and retribution against those who speak up is specifically prohibited. *Semua pemberi maklumat yang jujur diberikan perlindungan daripada tindakan balas.*	1	2	3	4	5
12	The employees receive information guidelines about how, when, and why to call the hotline or helpline. / *Pekerja menerima garis panduan pemakluman tentang bagaimana, bila, dan mengapa untuk menghubungi talian penting atau talian bantuan.*	1	2	3	4	5
13	Summary of data is publicly disclosed in regular basis describing the type of matters that have been reported and the outcome of those matters. / *Ringkasan data didedahkan kepada umum secara tetap menggambarkan jenis perkara-perkara yang dilaporkan dan cara perkara tersebut dikendalikan.*	1	2	3	4	5
14	There is a single standard or set of rules that controls how internal investigations and fact-finding will be conducted. / *Terdapat standard tunggal atau set peraturan yang mengawal bagaimana siasatan dan pencarian fakta dalaman akan dijalankan.*	1	2	3	4	5

15	Employees are encouraged to speak up and bring forward their concerns through confidential channels provided by the organization. / *Pekerja digalakkan untuk bersuara dan mengemukakan kebimbangan mereka melalui saluran secara rahsia yang disediakan oleh organisasi.*	1	2	3	4	5
16	Both complainants and complainee receive protection in right process according to procedure, including (a) confidentiality; (b) opportunity to present witness and evidence; (c) opportunity to be heard and respond; and (d) opportunity to be represented by a legal counsel. / *Pengadu dan orang yang diadu menerima perlindungan dalam proses wajar yang mengikut prosedur, termasuk (a) kerahsiaan; (b) peluang untuk mengemukakan saksi dan keterangan; (c) peluang untuk didengar dan memberikan penjelasan, dan (d) peluang untuk diwakili oleh peguam bela.*	1	2	3	4	5
17	The supervisors and managers receive training on how to recognize and prevent retaliation. / *Penyelia dan pengurus menerima latihan tentang bagaimana untuk mengenali dan mencegah balas dendam.*	1	2	3	4	5
18	Victims of retaliation will be fully compensated for losses. *Mangsa tindakan balas akan diberi pampasan sepenuhnya untuk kerugian yang dialami.*	1	2	3	4	5

Accountability: Please indicate your level of agreement to each statement by placing a tick (√) to the most appropriate box pertaining to your organization to the best of your knowledge.

Kebertanggungjawapan: Sila nyatakan tahap persetujuan untuk setiap kenyataan dengan meletakkan tandakan (√) pada kotak yang paling sesuai yang berkaitan dengan organisasi anda untuk sepanjang pengetahuan anda.

1	There is no or very limited disclosure of activities including financial performance to the relevant stakeholders. / *Tiada atau kurang aktiviti pendedahan termasuk prestasi kewangan kepada pihak-pihak berkepentingan.*	1	2	3	4	5
2	The organisation simply reacts or responds to audit/inquiry officer. / *Organisasi ini hanya bertindak balas atau menjawab kepada pengaudit / pegawai pertanyaan.*	1	2	3	4	5
3	The organisation discloses information when the disclosure serves its interest. / *Organisasi mendedahkan maklumat apabila pendedahan itu berfungsi untuk kepentingan.*	1	2	3	4	5
4	The organisation discloses basic information to public regarding organisation's visions, missions, goals, policies, customer charters and activities. / *Organisasi mendedahkan maklumat asas kepada orang ramai mengenai visi, misi, matlamat, dasar, piagam pelanggan organisasi dan aktiviti.*	1	2	3	4	5
5	The organisation makes an effort to disclose additional information beyond the basic information. / *Organisasi berusaha untuk mendedahkan maklumat tambahan melebihi maklumat asas.*	1	2	3	4	5
6	The organisation implements quality processes that will allow	1	2	3	4	5

	disclosure, evaluation and feedback for continuous improvement. / *Organisasi melaksanakan proses kualiti yang akan membolehkan pendedahan, penilaian dan maklum balas untuk penambahbaikan yang berterusan.*					
7	The organisation uses ICT and other social media to disclose relevant information as a way to engage the stakeholders. / *Organisasi menggunakan ICT dan media sosial yang lain untuk mendedahkan maklumat sebagai satu cara untuk melibatkan pihak yang berkepentingan.*	1	2	3	4	5
8	The organisation informs thing that has been verified by credible and reputable independent parties. / *Organisasi memberitahu apa yang telah disahkan oleh pihak ketiga yang boleh dipercayai dan berwibawa.*	1	2	3	4	5
9	The organisation is accountable to comply with procedure / *Organisasi adalah bertanggungjawab untuk mematuhi prosedur.*	1	2	3	4	5
10	The organisation complies with the provisions of the Personal Data Protection Act. / *Organisasi ini mematuhi peruntukan Akta Perlindungan Data Peribadi.*	1	2	3	4	5

You have reached the end of the questionnaire

Thank you for your participation

Anda telah sampai ke akhir soal selidik

Terima kasih atas penyertaan