

Development of Influential Factors Framework of Unethical Behaviour among Working Young Adults

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Abstract

Unethical behaviour among working young adults is the greatest challenge in today's society, as the young adults of today are the leaders of the future. Thus, it shows how important to build up first class human capital with good values and it starts by educating young adults. However, due to limited studies, the existing literature yet to provide sufficient explanation of the contributing factors to unethical behaviour amongst working young adults especially in developing countries like Malaysia. Hence, this study introduces the conceptual framework to clarify the factors that influence unethical behaviour intention. Theory of planned behaviour (TPB) and Fraud diamond theory (FDT) were described briefly in this study to explain the factors. The study suggest that the most appropriate data collection technique for this conceptual framework is through questionnaires. Further, this study will develop a common ethical scenario to measure unethical behaviour based on the definition of unethical behaviour applicable in Malaysia. It is hoped that this conceptual framework can be seen in terms of practice which will be beneficial to regulators such as Malaysian Anti- Corruption Commission (MACC), The National Centre for Governance, Integrity and Anti-Corruption (GIACC), The Malaysian Institute of Integrity (IIM) as well as the Institute for Youth Research Malaysia.

Keywords: Conceptual Framework, Attitude, Subjective norms, Perceived behavioural control, religiosity, intention to perform unethical behaviour.

Introduction

Working young adults of good values are an important asset to the country as the young adults of today are the leaders of the future. Values such as integrity, accountability and transparency need to be instilled in a proper way. However, for the past few years, Malaysia has seen a decline in the control of unethical behaviour, particularly among working young adults. From the data by Malaysian Anti- Corruption Commission (MACC, 2021) found that majority of those arrested were 21 until 40 years old, which is 1904 or 58% from the total arrested. The data were collected from the year 2012 until 2020.

Hence, it is proved that over 50 per cent of those involved were working young adults. Interesting to note that, the findings tally with the survey carried out 19 years ago by Universiti Kebangsaan Malaysia (UKM). A study conducted by Universiti Kebangsaan Malaysia (UKM)

in 2002 amongst university students, found out that 30.5 per cent of the student agreed to receive bribes if they have been given power and opportunity (Sira Habibu, 2019). This clearly shows that students have intention to commit unethical behaviour in the future. This is because the respondents are now aged below 40 years old in which today, they are in the system working especially in the public sector.

Recognizing the significance to curb unethical behaviour intention, many past studies has been conducted to explain the factors that may contribute intention to perform unethical behaviour. These include (Owusu, Amoah Bekoe, Koomson, & Simpson, 2019a; Gürlek, 2020; Mohamad Nor & Amran, 2020; Jamil, Mohammad, & Ramu, 2018). In addition to this, three important factors that contribute to corruption among public officials and business employees are moral conviction, subjective norms and also perceived opportunity in which social norms and opportunity are dominant factors of corruption. (Gorsira, Denkers, & Wim Huisman, 2018).

Further, most studies on unethical behaviour intention have been carried out in western countries. To date, the numbers of previous studies investigating factors affecting unethical behaviour intention among working young adults especially in developing countries like Malaysia is still limited. Thus, this creates a need for a study examining unethical behaviour intention in a developing country especially in Malaysia. Given the scarcity of empirical study that investigates in the context of working young adults, this study provides empirical explanation of predictors on unethical behaviour intention. Eventually this will help government to come it with proper and comprehensive plan.

Questions such as, ‘What are the factors that drive working young adults to perform unethical behaviour?’ and ‘What are the types of unethical behaviour intention that working young adults commit need to be addressed properly. By answering these questions, effective plans can be formulated which in the long run can minimize the issue of unethical behaviour. Hence, this study aims to propose a conceptual framework of factors influencing unethical behaviour intention. This is intended to contribute to the knowldege on unethical behaviour intention, benefit Malaysian public sector and development oportunities for further study.

Literature Review

Underpinning theories

The underpinning theory of this study is the Theory of Planned Behaviour (TPB) (Ajzen, 1991). Further, this study will also be guided by fraud diamond theory (FDT) by Wolfe and Hermanson, (2004). This study will interacting theory of Planned Behaviour (TPB) as underpinning theory by combining fraud diamond theory in explaining the intention to perform unethical behaviour. Three factors from theory planned behavior which are attitude, subjective norms and perceived behavioral control with two factors from fraud diamond theory which include financial pressure as well as capability.

All these variables will be examined to see whether they are important antecedents in driving the working young adults’s intention to perform unethical behaviour. The interaction of these theories will provide a more holistic analysis.

Theory of Planned Behaviour (TPB)

The theory of planned behavior (TPB) is an extension of Theory of Reasoned Action (TRA). This theory predicted that behavior of individual depends on intention and ability (Ajzen, 1991).

The first component in TPB is attitude. Attitude toward a behavior is the degree to which performance of the behavior is positively or negatively valued (Ajzen, 1991). Subjective norms refer to variable that influences by family and friends. Lastly, perceived behavior control refers to how a person perceives the ease or difficulty of performing a behavior (Ajzen, 1991). Ajzen (1991) mentioned that individuals will be more inclined to perform certain behaviour when the individual has a stronger intention to do so. Figure 1. shows the TPB.

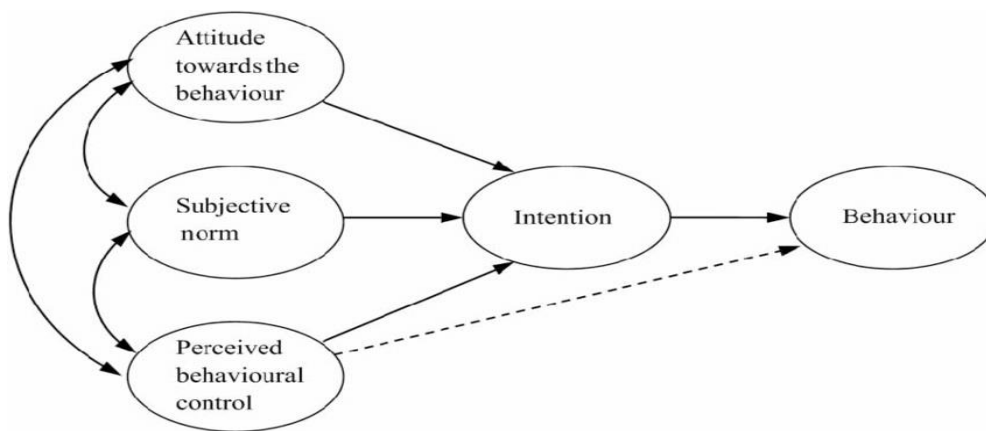


Figure 1. Theory of Planned Behavior (TPB)

Source: Ajzen (1991)

Fraud Diamond theory (FDT)

Cressey in 1953 has developed fraud triangle theory which highlighted three major factors that drives people to commit fraud. The elements include pressure, opportunity and rationalization. Vousinas (2019), argued that fraud triangle theory does not explain the nature of all occupational offenders and the study has been too old. Then, Albrecht, Albrecht et al. introduced Fraud scale theory which introduce element of personal integrity to replace rationalization. A study by Wolfe and Hermanson (2004) added new element which is capability and named it as the Fraud diamond theory. Capability refers to skills and ability to commit fraud.

In 2010, Dorminey, Fleming, Kranacher, and Riley Jr in Certified Public Accounting (CPA) journal had come out with M.I.C.E (money, ideology, coercion and ego) to explain factors of financial fraud. Then, (Kassem and Higson, 2012) suggested that all models which are fraud triangle, fraud diamond theory, fraud scale and MICE model should be integrated in one model, which called “the New Fraud Triangle Model”. It includes motivation, opportunity, integrity, and capability. Figure 2. shows Fraud Diamond Theory (FDT).

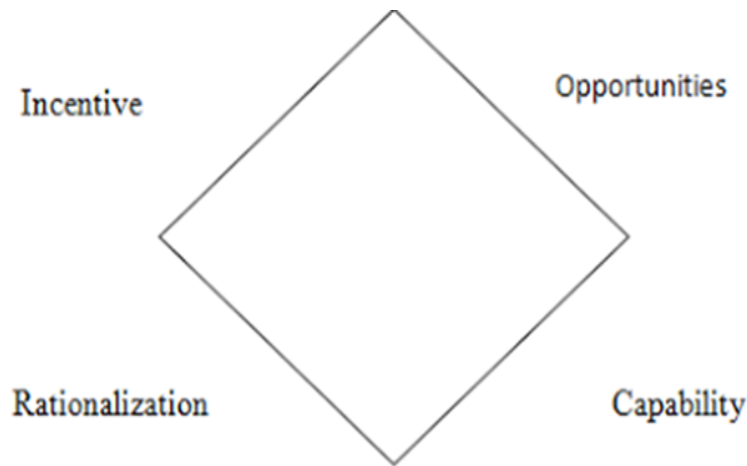


Figure 2: The Fraud Diamond (TFD)

Source: Wolfe and Hermanson (2004)

Intention to perform unethical behaviour

Studies on intention to perform unethical behaviour have gained attention in academic research as it is important in predicting the actual behaviour. Ajzen (2011) has mentioned that when someone has the intention to perform an action, the chances for that person to be involved are high. Carpenter and Reimers, (2005) argued that it is difficult to observe the behaviour directly although it would be the best practice. This has been supported by Owusu et al., (2019b) that it is difficult to measure actual unethical behaviour because most of it is done privately.

Thus, Owusu, Amoah Bekoe, Koomson, and Simpson (2019) agreed that by using unethical behaviour intention, studies will assume that the stronger the intention of an individual to behave unethically, the more likely that individual will perform that unethical behaviour.

Several studies have employed intention as the subject of study. Three dimensions of temptation which includes cognitive impairment, getting rich and lack of self-control, are positively associated with the propensity to engage in unethical behaviour (Owusu, Amoah Bekoe, Koomson, & Simpson, 2019). The result indicates that people who are unable to control their desire for money are more likely to engage in unethical behaviour at the workplace. A similar observed among university students. A study conducted by Jamil, Mohammad, & Ramu (2018) found that all the antecedents positively influence unethical behaviour intention. These include egoism, utilitarianism and peer influence.

Factors influencing unethical behaviour intention

Individual characteristics, moral issue characteristics and organizational environment characteristics are all important predictors of unethical behaviour (Kish-Gephart et al., 2010). Individual characteristics consist of psychological and demographic in which demographic represent gender, age, and education level (Kish-Gephart et al., 2010). Individual and ethical issue are unchangeable, whereas the organization environment can be changed to influence the behaviour of employees.

The selection of the elements that contributes to intention to perform unethical behaviour are based on past studies and taking the recommendations from past studies. Besides that, a preliminary expert interview has been conducted with Malaysian Anti- Corruption Commission Pahang (MACC). Due to the pandemic and the government's standard operating procedure, the interview has been conducted by emailing the pertinent questions to the MACC in Pahang.

Hypothesis Development

Love of money

Money associates with social status as it can influence individual's behaviour. Individuals who have a strong desire for money tend to judge everything in terms of money, which can lead to less ethical behaviour (Nazaruddin, Rezki & Rahmanda, 2018). Tang (1992) developed Money Ethics Scale (MES) to observe the impact of money attitude towards behaviour. A study by Tang & Chiu (2003) among Hong Kong employees found a significant direct relationship between love of money towards evil. As a result, these high-income individuals will have a low level of love for money because they are already satisfied with their pay. It can be concluded that working young adults who place a high value on money are more likely than others to accept unethical behaviour.

Thus, the study hypothesizes that

H 1: There is a positive effect of love of money on intention to perform unethical behaviour.

Greed

Greed is a basic human characteristic that is frequently associated with something unethical and negative. It happens when someone takes more than what they need in their life as they are never satisfied with something that has been achieved. Previous research shows that greed is associated with unethical behaviour. Piff, Stancato, Côté, Mendoza-denton, & Keltner, (2012) agreed that individual from upper class have high tendency to act immorally. Seuntjens, Zeelenberg, van de Ven & Breugelmans (2019) found that greedy individual was more likely to act immorally as it can increase one's desire. This is consistent with the study by Rahman & Anwar (2014) in which the findings show that greed has been the major factor influencing fraud followed by lack of control as well as financial pressure. Greed is the attitude of being envious of what others have and it can be prevented by always remaining moderate.

Thus, the study hypothesizes that

H 2: There is a positive effect of greed on intention to perform unethical behaviour.

Parental Influence

The influence of parents is very important as the need to inculcate the strong values should starts with parents. Youth will likely follow or do what their parents taught to them as usually parents can give positive impact in terms of development of the children (Sihombing, 2018).

For instance, Japanese students tend to commit fewer deviant act compared to Americans students as Japanese students are exposed to greater parental discipline and have strong parental attachment (Kobayashi & Farrington, 2020). In this study, the influence of parents will be

looked at two perspectives which are parental discipline and parental attachment. This study believes that influence of parents as a role model to their children are crucial in shaping the personality of their children in the fight against intention to perform unethical behaviour.

Thus, the study hypothesizes that

H 3: There is a negative effect of parental influence on intention to perform unethical behaviour.

Peer Influence

One of the lesson from a study by James (2014) explain that people are more likely to do bad things when they are in a group than when they are alone due to influence by the surroundings. The example given is that when the group is larger, it will be less responsible for each of group member regarding any action taken.

When university students in Malaysia feel pressured, they are more likely to engage in unethical behaviour, either because they want to help their friends or because they want to follow what others students do (Yusliza, Saputra, Fawehinmi, Nik Mat & Mohamed ,2020). In the workplace, study by Lokman & Mahadzir (2019) found positive peer pressure is one of the critical factors that influence employee level of integrity.

Thus, the study hypothesizes that

H 4: There is a positive effect of peer influence on intention to perform unethical behaviour.

Financial Pressure

Pressure refers to factors that influences unethical behaviour. Hooper & Pornelli (2010) stated that positive pressure will contribute to efficiency, creativity, and competitiveness. However, unethical behaviour will take place when the goals are hard to attain in normal way. Kassem & Higson (2012) classified pressure into three considerations. These includes personal pressure, corporate or employment pressure and external pressure. Individual with high life pressure have greater intention and likely to commit unethical behaviour.

A study conducted on working adults in Malaysia shows that perceived pressure influences employees intention to commit fraud (Tuan Mat, The Ismawi & K Ghani 2019). This has been supported by the findings from Zulaikha et al., (2019) that financial pressure is directly proportional to corrupt behavior.

Thus, the study hypothesizes that

H 5: There is a positive effect of financial pressure on intention to perform unethical behaviour.

Capability

Wolfe & Hermanson (2004) emphasized the importance of having the right person and the right capabilities in place. The researcher added that position, intelligence, ego, coercion, lies effectively and able to cope with stress are significant elements that contribute for an individual to commit unethical behaviour. Several studies have tried to determine the link between the capability and unethical behaviour. A finding from Koomson et., al (2020)

revealed that one of the types of unethical behaviour which is asset misappropriation in the workplace is often committed by individuals in a position of influence.

This has been supported by Kazemian, Said, Nia, & Vakilifard, (2019) that capability may be occur in high influence over a situation, ability to persuade other staff members to cooperate and also being overconfident.

H 6: There is a positive effect of capability on intention to perform unethical behaviour.

Religiosity

Religiosity is defined as an individual's awareness and tendency of an individual to strive for a balance between the worldly desires and obedience to God's divine commands (Shah, 2004). Individuals who practice good religion will not engage in actions that are forbidden by God because they understand that all their actions are monitored by God (Rifdayanti, Wahyudi, & Yusnaini, 2020). Some of the studies show how religion can influence human behaviour. For instance, Hanapiyah, Daud & Wan Abdullah (2019) stressed the importance of integrating religious values together with the business goal in order to maintain integrity among employees. As a result, the performance and reputation of the organization will increase.

Individuals with high levels of religiosity will make the individual feel as if God knows everything including their movement, speech, and conduct.

H 7: There is a negative effect of religiosity on intention to perform unethical behaviour.

Based on the previous studies, there are six additional hypotheses development to support religiosity as a moderator.

H8: There is a negative effect of religiosity between love of money on intention to perform unethical behaviour.

H9: There is a negative effect of religiosity between greed on intention to perform unethical behaviour.

H10: There is a negative effect of religiosity between parental influence on intention to perform unethical behaviour.

H11: There is a negative effect of religiosity between peer influence on intention to perform unethical behaviour.

H12: There is a negative effect of religiosity between financial pressure on intention to perform unethical behaviour.

H13: There is a negative effect of religiosity between capability on intention to perform unethical behaviour.

Conceptual Framework

Based on the reviews from past studies, the study variables will be determined by interacting of two theories and new additional variables from the recommendations of previous

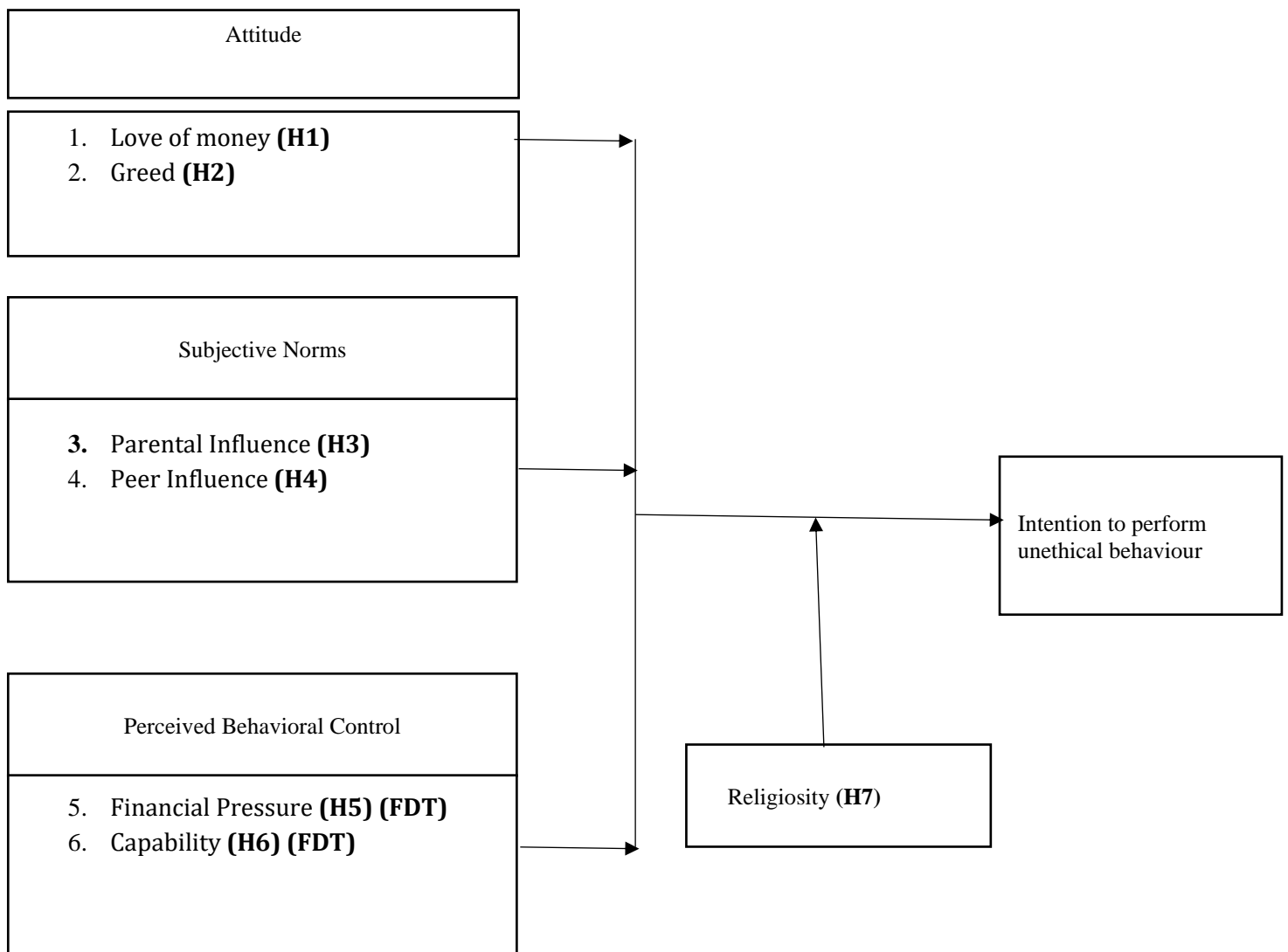
researchers. In this present study, the conceptual framework will be underpinned by one main theory which is the TPB and another supporting theory, the fraud diamond theory.

Three factors from theory planned behavior which are attitude, subjective norms and perceived behavioral control with two factors from fraud diamond theory which include financial pressure as well as capability.

This study believes that attitude, subjective norms and perceived behavioural control will influence the intention to engage in unethical behaviour among working young adults in the Malaysian public sector. In other words, all these determinants will have a direct relationship with unethical behaviour. Previous studies have found a link between religiosity and social demography in a variety of contexts. Therefore, using the TPB, religiosity will be new variables to study selected factors towards intention to perform unethical behaviour among working young adults.

Therefore, the above idea will become the central theme .The overall framework proposed for this study is displayed in Figure 3.

Figure 3: Conceptual Framework



Methodology

The primary data collection technique in this study is proposed for future studies. This study will adopt existing theories which are theory of planned behaviour and fraud diamond theory and propose the hypotheses, collect quantitative data from a working young adult's sample, and will use the appropriate statistical analysis technique to test the hypotheses. Next, the process will proceed with data collection through distributing the questionnaires to the respective respondents. It is expected that the respondents will need about 20 minutes to answer the questionnaire.

The survey will be available in two languages, which are English and Malay. The conceptual framework in this study will be assessed using the Partial Least Squares (PLS-SEM) and IBM SPSS. The IBM SPSS will be used to perform the descriptive statistical analysis.

Discussion and Conclusion

The conceptual framework as promoted above would be able to make some implications and useful for policymakers such as Malaysian Anti- Corruption Commission (MACC), The National Centre for Governance, Integrity and Anti-Corruption (GIACC), The Malaysian Institute of Integrity (IIM) as well as the Institute for Youth Research Malaysia. This quantitative study is expected to benefit Malaysian public sector as it can provides recommendations to public sector to create an ethical working environment by foresees the significant relationship of all the selected factors.

At the same time, it will be a benchmark for future study. The use of TPB and fraud diamond theory are relevant and can be applied in the study of unethical behaviour intention. The combination of these theories can be better describe the factors influencing unethical behaviour intention in the context of Malaysian public sector.

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