INTERNATIONAL JOURNAL OF ACADEMIC RESEARCH IN BUSINESS & SOCIAL SCIENCES

Vol 12, Issue 10, (2022) E-ISSN: 2222-6990

The Influence of the Integrity Strengthening Plan (ISP) on Ethical Behavior among Officials in The Public Work Department Malaysia

Nik Hairi Omar[1], Mohd Haffiz Hassan[2], Siti Fardaniah Abdul Aziz[1], Rusyda Helma Mohd[1] & Mohd Nasir Selamat[1]

[1]Human Development Program, Centre for Research in Psychology & Human Well-Being, Faculty of Social Science & Humanities, Universiti Kebangsaan Malaysia, 43600 Bangi, Selangor, Malaysia, [2]Public Administrative Officer, Ministry of Defence Malaysia

Corresponding Authors Email: hairi@ukm.edu.my

To Link this Article: http://dx.doi.org/10.6007/IJARBSS/v12-i10/15414 DOI:10.6007/IJARBSS/v12-i10/15414

Published Date: *20* October 2022

Abstact

This article explains the influence of Integrity Strengthening Plan (ISP) on ethical behavior among the Public Work Department (PWD) officials in Malaysia. The five pillars of ISP studied are compliance (C), punishment (P), ethical training and development (T), management (M), and the whistleblowing (W). The main question asked is whether these pillars have significantly influenced ethical behavior of the public officials in the PWD or otherwise? If the ISP have positively contributed toward ethical behavior, how much variances in the construct variables are able to explain the changes? Research data is collected through an instrument developed by researchers and distributed to 300 target population consisting of professional grade officers (ranked 54, 52, 48, 44, 41), and technical and support officers (ranked 36-29). Using SEM-PLS analysis, the findings show that the coefficient determination (R^2) value for each exogenus variable toward endogenus variable is 0.377. The results means that all five pillars have significantly contribute to ethical behavior with a proportional variance in total of 37.70 percent. The result is considered to have a moderate to weak influence. To encourage ethical behavior at workplace, the organization can take steps to create a good ethical environment such as improving organizational monitoring, training and education mechanisms, and other reactive systems for reporting of unethical behavior instead of promoting a proactive employee voice system.

Keywords: Integrity, Integrity Strenghtening Plan, Ethical Behavior, Public Officials, Public Work Department

Introduction

Public agencies are established with the main objective to meet the needs of the people and the country. Therefore, a high-integrity public service system and delivery is required to ensure the government policies can be implemented effectively. In the workplace, public officials need to demonstrate a good ethical behavior to guarantee a reputable service to society. Generally, ethical behavior is the application of moral principles in a given situation. According to Huberts (2018), there are at least eight basic conceptions regarding ethical behavior in the workplace which are professional responsibility, moral reflection, anti-corruption, respect laws and regulations, appreciate norms and moral values, and display exemplary behavior. For many scholars, it is a set of best personal charateristics that prevent individuals from immoral behavior such as corruption and misconduct (Huberts, 2018; Kaptein et al., 2011). In the public service, public officials need to behave according to the moral standards set by the organization such as the principals of integrity, transparency, honesty, and fairness (Omar & Awang, 2012; Mahan 2019). The plot of good versus evil or right versus wrong is arguably the most common struggle in the heart of public and corporate environments. Individuals that behave unethically in the workplace will normally lose other people's confidence (Mahan, 2019). Severe unethical behavior such as fraud, corruption, abuse of power and criminal violations indicates a chronic integrity issue which require organization to improve management practice instead of laws on compliance, monitoring, punishment and education or training. Inevitably, an ethical behavior of the public servant is essential for public organization to function properly. Allegations of unethical behavior in the workplace can create public relations crises, operational distractions, financial liabilities and in some cases lead to the total collapse of organizations (Mahan, 2019).

The importance of fostering ethical behavior within public organizations in the most countries has encouraged an effort to strengthen the employee's integrity. More than 30 years ago, Malaysia had developed various policies to improve integrity and ethical behavioral in the public services environment. Among them are the introduction of the Public Service Ethics and Excellent Policy; The Clean, Efficient and Trustworthy Policy (1982); the Application of Islamic Values in Public Service (1985); The Public Codes of Conduct (1993), and the (Twelve Pillars Policy, 1992; Omar & Awang, 2012). The policies have been put into practice in various forms such as the use of employee name tags, work and services manuals, customer charters, code of ethics, open-door office, integrity management modules, and the establishment of monitoring teams (Omar & Awang, 2012; Sulaiman, 2005). The government's commitment in improving integrity within the public services had been done over time. In the year 2000, the Public Complaints Bureau (BPA) has been established which allows the mass to channel complaints directly to the Prime Minister's Department as well as the formation of the National Integrity Plan (NIP) in the year 2004. In the year 2013, all public departments in Malaysia are required to establish an Integrity Unit as a focal point for the management of issues related to integrity and ethics (Public Services Circulars no.6, 2013). In the year 2019, the NIP had been expanded and replaced by the National Anti-Corruption Plan (NACP), while the Integrity Unit in the most recent years also been transformed into The Integrity and Ombudsmen Unit (Omar et.al., 2021).

Behind serious efforts taken by the government and it agencies to establish integrity and ethical behavior including the revaluation of the NIP, the Malaysia Corruption Prevention Index (CPI) at the ASEAN and global are still lagged behind. It does not show a significant move

as a reflection to the various initiatives. In ASEAN, Malaysia's CPI between years 2015-2021 are far behind Singapore, which is 48 points compared to 85 points (2021). While in the year 2019 to 2021, Malaysia's CPI showed a decline from 52 points to 51 points, and later to 48 points compared to Singapore which steadily remains at 85 points for the same period (Transparency International, 2022). Theoretically, the civil servants are rational individuals and have personal interests that need to be monitored and controlled by institution to make them act accordingly to the objectives set by the organization (Johannsen et. al., 2012; Ulain et al., 2020). Following the principal-agent theory, the acts that violate integrity and ethics at the workplace such as corruption is occurs when the interests of civil servant as an agent conflicting with the principals' interests. Owing to the fact that the civil servants as agents are closes individual to the reality on the ground, they have access to information and opportunities that can benefits themselves. Therefore, unethical behavior such as corruption will occur when the agent acts for his own benefits in a way that is inconsistent with the interests of the principal (Khairul, 2016).

In the neo-institutional theory, efforts to improve the integrity and ethics in the workplace are considered the most important responsibility of the employer. As stressed by Vanucci (2015), the most important role of institutional framework is to form an internal rule as a control mechanism by regulating the effect of social interaction, individual beliefs, and choices. Contextually, the roles are including the establishment, and enforcement of formal or informal rules, culture, norms, ideas, incentives and limitations that will influence a person's choice (Lahat, 2019; March & Olsen, 1983; Powell & Dimaggio, 1991). In other words, the institutions are the stakeholders that enact rules and guidelines for a society to behave or in a formal situation are instruments to control human interaction (North, 1990). In line with the above theoretical perspectives, the Ministry of Works Malaysia (MoW) in the year 2014 had introduced their integrity improvement plan for the entire organization called as "Integrity Strengthening Plan" (ISP). Since then, the ISP had been implemented by all agencies under the ministrial, most specifically in the Public Work Department (PWD) which is one of the largest public entities to serve the people. The major roles of the PWD is managing and maintaining building and road infrastructures throughout Malaysia. As the principal consultant to the Government of Malaysia, the PWD is committed to deliver products and perform maintenance services that are on time, quality and at agreeable cost to achieve optimal asset benefits (ISP, 2019-2020:7). In this article, we are interested to examine the influence of this ISP on the ethical behavior of their civil servants.

Research Problem

The introduction of Integrity Strengthening Plan (ISP) can be seen as a rational institutional strategy aimed at regulating the integrity and ethics of the civil servants to be always at a higher level of compliance. The main objective for the introduction of ISP is to ensure continuation of the government's efforts to improve and strengthen integrity and ethical values among department human resources; inculcating good values and integrity in providing services; combating and eradicating crimes of corruption, power abuse and embezzlement; reduce incidence of misconduct, and achieving good corporate image and reputation (The ISP 2018-2020:9). The ISP have five main strategies with a various programs, activities, and actions targeted to specific group in the department. Those five strategies are strengthening good governance; improving delivery system effectiveness; conducting anti-corruption and integrity awareness programs; strengthening administration justice system;

and strengthening the management of human resources (Ministry of Public Works 2016; The ISP 2018-2020:10-12).

The design of organizational integrity initiatives as a tool to precipitate desired ethical behavior has been discussed in vast literatures. Most studies have classified the initiatives into several pillars or constructs namely the compliance; management or leadership; rules & regulations; ethic training and education; punishment (reactive strategy); and whistle blower (see works of Alam et al., 2018; Alam et al., 2019; Goel et al., 2015; Johannsen & Pedersen, 2012; Kaptein, 2014; Khairul, 2016; Meyer-Sahling & Mikkelsen, 2020; Min, 2019; Owusu et al. 2020; Shan, et al., 2014; Tabish & Jha, 2012; Ulain & Hussain, 2020). The number of constructs used in the above research are different depending on the organizational objectives, scope, and interpretation. For the ISP, a comprehensive review has been made on the nature of strategies, programs, and action plan where the construct is typologically fall into five pillar that are; strategy of compliance (C), punishment (P), ethical training and development (T), management /leadership (M), and the whistleblowing (W). These conceptual pillars will be used in this paper to represent components of ISP.

In this article, we questioned about the influence or impact of ISP towards establishing ethical behavior among PWD officials. This question is very important considering a numerous case of corruption and missuse of power among public officials and professionals in the various national sectoral (Kapeli & Mohamed, 2019). Our focus on PWD is due to some interesting facts. One is the fact that the PWD is among the largest public department that received government financial allocation every year to carry out the responsibility for the whole country. For example, development expenditures allocated for MoW in the year 2021 is RM6.08 billion, increased to RM6.45 billion in the year 2022 (MoF, 2022:295). For the year 2021 and 2022, more than 91 percent budget received by MoW was used for development expenditures in which the PWD office and branches are the main fund receiver. Based on National Treasury Report (2022), most of the development expenditures are used for maintenance of the building infrastructures as well as immovable asset, specific project and one-off budgetting (contigency) thoroughout Malaysia. To put into principle-agent theory, the broad role and large financial management in the public projects may encourage abuse of power or other unethical behavior among PWD's professionals thus affecting the efforts of ISP in achieving objectives.

The abuse of power and unethical behavior among PWD officials is not a mere assumption. The reports of corruption, misconduct and arrest involving PWD's officials are prominent in the mainstream media as well as in the PWD's Integrity & Anti-Corruption Unit (see among other *Harian*, 2019; *Harian*, 2018; *Harian*, 2016; *Harian*, 2020; *Harian*, 2021). Most of the PWD's officials arrested are related to corruption cases, fraudulunt, false claims, receving of bribe or expensive gifts, and money laundering. Among example in the media are the detention of Malacca PWD's Director on accusation of corruption and money laundering sums of RM1.28 million (Berita Harian, September 29); and the case of PWD's surveyors investigated for accepting a bribe from a cartel of government projects, sums of RM1.2millions (Berita Harian, April 7th). Most of the cases was brougt to the Sessions Courts, ending up with guilty verdict and fine. In addition, a formal statistics report from the PWD's Integrity & Anti-Corruption Unit show a total of 249 cases of misconduct involving of PWD's professional and staff from the year 2015 to 2020. The highest cases recorded is breach of

rule or discipline cases (67.07 percent), followed by project miss management (16.87 percent); courts cases/MACC cases (6.83 percent); Crime (5.6 percent) and surcaj (3.61 percent) (Public Works Department, 2020).

In another perspectives, the PWD has also been continuously warned by the Auditor General Office with 'unsatisfactory findings' related to the handling and management of projects (LKAN, 2021). The National Audit Department (NAD) also put some negative remarks on the points of PWD's organizational culture, governance, personality, and professional integrity (NAD 2014, 2015, 2016, 2018, 2019). Among weaknesses found by auditors are include the approval of inappropriate procurement payments, work and procurement that does not comply with specifications or low quality, project delays, waste in the project management, and poor management of the government assets (Alam et al., 2019). Some reactive recommendations made by the national audit team is to "take appropriate action against officials who are negligent in the implementation and management of contracts" (LKAN 2014, 2019).

Despite persistent efforts made by PWD to implement and updating the ISP since 2014 until now, the integrity incidents in the department still occur every year showing that the ethical behavior of public officials in PWD has not much change or remains constant. However, it is subjective to conclude that the ISP has failed solely on facts of few arrests, press reports and audit results. Therefore, a study that can predict the ability of the ISP in influencing ethical behavior is needed. For the PWD, the need is crucial since no study has been done by any scholars to evaluate the effectiveness of the policy since its implementation. In this article, we questioned whether the five ISP pillars that include compliance (C), punishment (P), ethical training and development (T), management /leadership (M), and the whistleblowing (W) have significantly influenced ethical behavior of the public officials? If the ISP have positively contributed toward ethical behavior, how much variances in the construct variables are able to explain the changes? In this article we will analyse the effect using SEM-PLS analysis. For this objective, the "law of interactions" among the exogenus and endogenus variables are explained using below equation model:

H_0: $Y = ß_0 + ß_1X_1 + ß_2X_2 + ß_3X_3 + ß_4X_4 + ß_5X_5$

Whereas.
Y = Ethical Behavior (EB); X_1 = Management (M); X_2 = Compliance (C); X_3 = Punishment (P); X_4 = Whistleblowing (W); X_5 = Ethics Education & Training (T); ß = Parameter to be estimated

Review of the Literature

Studies related to integrity initiatives in the last seven years are quite centralised on positivism approach and the principal-agent theory (Khairul, 2016; Ulain & Hussain et. al., 2020). The historical context and institutional elements that create the policy become a crucial part in most of the analyses (Braun et. al., 2003). In general, the effectiveness of the integrity initiatives or models are discussed around the pillars of compliance (C), rules & regulation (R), punishment (P), ethical training and development (T), management / leadership (M), and the whistleblowing (W). In this article few studies are discussed, among are research by (Owusu et. al., 2020; Kaptein, 2014; Goel & Rajh, 2014; Min, 2019; Meyer-

Sahling & Mikkelsen, 2019; Shan et al., 2014; Razana et al., 2020; Alam et al., 2018, 2019; Khairul, 2016).

Owusu et al (2020) in his studies about the effectiveness of anti-corruption measures in infrastructures project management in Hong Kong city has used twenty-six anti-corruption measures (ACMs) constructs as tools of analysis. The ACMs was designed using a soft computing to curb the corrupt practices in infrastructure procurement processes which based on the extant literature. Based on the 26 ACMs instrument, an empirical survey is conducted with 38 experts in infrastructure procurement and management processes in Hong Kong City. The results reveal that probing and transparency are the most effective ACMs in measuring integrity and anti-corruption. The main element that contributes to effective ACMs among other are whistleblowing, compliance, rules, and training while the reactive approach and organizational culture are less effective.

Meanwhile, Kaptein (2014); Goel (2014) have studied on ethical behavioral and anti-corruption strategies in private sectors. Both researchers used quantitative methods and large sample sizes. In his survey, Kaptein (2014) used 5,065 samples from various private companies to examine the extent to which ethics programs were effective for measuring ethical behavior change. His study uses three main constructs, namely institutional culture, ethical training, and whistle blower. The results show that all programs under specific constructs are capable to inculcate ethical and integrity behavior practices in organizations. Some programs like training and education for ethics is suggested to be a primary and required an institutional support. Similarly, research findings by Goel & Rajh (2014) relating to effectiveness of anti-corruption policies in private sector bribery also stressed on the important of institutional culture. The result in general has concluded that the elements of cultural management, code of ethics and internal control are most influential factors toward effective cultivation of integrity and ethical in the workplace.

More research on the effectiveness of anti-corruption strategies carried out in foreign countries such as in Korea, Poland, China, and Baltic countries such as Estonia, Lithuania & Latvia. One of the studies is by Johannsen & Pedersen (2012) in Estonia, Latvia and Lithuania that assessing the effectiveness of anti-corruption measures involving of 1600 respondents from the civil servants. Johannsen's study divides the anti-corruption strategy into three main constructs, that are whistleblower, education & training, and reactive strategy. The research findings shows that all strategies are important for measuring integrity. Descriptively, the research data shows that the respondents are confident with the punishment initiatives used as strategies for combating corruption and increase integrity among officers. A harsh penalty such as disciplinary and court action, termination of service, fines and salary cut are important fear elements that need to be reinforced via management roles, education & training, and whistle blower channel.

A study by Shan et al (2014) in China on the effectiveness of anti-corruption response strategies in the public construction is slightly different because it uses a mixed method approach. However, the study more towards building and testing an effective instrument that covers four main constructs namely management & leadership, culture, rules & regulation, and training. Among the important findings of Shan's study is the conclusion that punishment initiatives are less effective in dealing with the issue of corruption. Another interesting study

are by Min (2019) in South Korea, and by Meyer-Sahling & Mikkelsen (2019) in Poland. A study by Min (2019) in South Korea aims to measure the effectiveness of anti-corruption policies on integrity in the public organization and used 730 samples including civil servants, civilians, and experts in various sectors. However, the concentration of the anti-corruption policy model used in his study is limited to institutional culture element. The findings are not much differed with other research, especially Goel & Rajh (2014) that stressed on the importance of cultural management and internal controls in the workplace. Meanwhile, a study by Meyer-Sahling & Mikkelsen (2019) related to codes of ethics, disciplinary and effectiveness of anti-corruption framework in Poland was used 975 samples and involving of 11 ministries. The findings shows that ethics code compliance and punishment have a negative effect on corruption. This means that corruption practice can be reduced through a serious practiced code of ethics within the organization, while the punishment strategy needs to be firmly exercised to create element of fear among individuals.

In Malaysia, studies on effectiveness, impact, and success of integrity plan in shaping employee's ethical behavior are quite limited. Among related literature are studies by Razana et.al (2020) that assess factors contributing to integrity practices of Malaysian public sectors officers. In specific, this study examines the influences of accountability, risk management and managerial commitment on the practices of integrity in the Malaysian public sector. Her study uses 210 case samples and covers various groups of civil servants in 6 ministries. The finding shows that integrity practices in the Malaysian public sector are significantly related to risk management, accountability, and management commitment. Other studies related to anti-corruption strategy and ethics have been conducted by (Alam et al., 2018; Alam et al., 2019). Both research are related to an empirical assessment of employee integrity in the public sector, and the role of integrity, internal control system and leadership on accountability practices of public sectors. The study by Alam et al (2018) involved a total of 194 civil servant from 6 ministries, while in the second study involved 109 respondents from 24 ministries. In general, both studies concluded that the integrity model is effective in perspectives of compliance, internal control, and leadership. However, it is asserted that the legal framework must be intact to support a strong compliance factor in organizational culture.

Another study in Malaysia was done by Khairul (2016) who examined anti-corruption initiative from the perspective of legal practitioners. This study specifically examines the effects of the implementation of National Integrity Plan (NIP), e-Government and legal framework on the corruption practices from legal practitioners' perspectives. A total of 378 data were used in analysis and obtained from the legal practitioners practicing in Penang, Selangor, Kuala Lumpur, and Johor. The multiple regression analysis was performed to test the hypothesis relationships. The findings reveal that the legal practitioners perceived corruption practices in Malaysia as prevalent and the Government needs to be sincere, transparent, and more proactive in executing the NIP, e-Government, and legal framework. The results also show that the NIP, e-government, and legal framework need to be more comprehensive to ensure that corruption can be stamped out. The Government's initiatives could be further improved, amended, and improvised to ensure that corruption practices can be curbed. Studies related to impact, influence, and effectiveness of Integrity Plan are abundance and most are revolved on the pillars of compliance (C), punishment (P), ethical training and development (T), management /leadership (M), and the whistleblowing (W).

Based on the above literatures, studies on the PWD have not been found elsewhere, thus the main intention in this article is to understand the strength of those five pillars on ethical behavior.

Methodology

Design and Instrument

The writing of this article is based on the neo-institutional post-positivism paradigm that argues theories, hypotheses and background of knowledge may influence what is being observed by the researcher. Postpositivist pursue objectivity by recognizing the possible effects of biases in any research (Colllin, 2002; Miller 2007). In this article, empirical indicators or pillars of ISP are treated as observable phenomena that are connected to the Neo-Institutional and The Principals-agent theories which will be testified using a quantitative method of study.

Data used in this article collected through an instrument developed by researchers. The development is based on the adaptation of several instruments that measure integrity and ethical behavior of employees in the organization. Among are the instrument made by the Malaysian Integrity Institute (IIM) which was used to evaluate the elements of integrity in most organizations (Yusoff & Mohd, 2016). In addition, three other instruments that used by Atan, et al (2017); Deshpande et al (2006); Zahari et al (2019) studies are also referred. Adaptation is done to ensure the instrument used is up-to-date especially in articulating the theoretical concepts and the ISP into a specific pillar. To achieve face and content's reliability, the instrument was sent for a thorough check and validation by six expert panels in the fields of integrity, corruption, and ethics studies. Among them are two academicians, two professionals in the PWD office, one HRD officer and one public enforcement officer. According to McHugh (2012), the strongest Kappa values for Content Reliability Indexed (CVI) must be between 0.61–0.80 (considering good) or 0.81 - 1.00 (very good). While Polit et al (2006) emphasized that the best CVI for 3 to 5 expert panels must be equal to 1, while for 6-10 panels can be 0.78 -1.00. For this instrument, Kappa Value resulted for all questions in the form of consistency, representativeness, relevance, and clarity are very good that is between 0.83 to 1.00. In general, the instrument contains three sections that are Section 1 (respondent demographic), Section 2 (the ISP component) and Section 3 (ethical behavior).

Target Population, pilot test and sampling

The target population are public officials working with the Ministry of Work (MoW) and Public Work department (PWD) headquarters. The selection of the respondents is based on cluster sampling in which the list of population is extracted from Mow and PWD's directory containing detailed of staff information such as name, phone number, emails, and job position. The specific criteria for the selection of the respondents are as follows; (1) must be in the category of technical & professional civil servants, and (2) involved in the management of development projects (at the planning stage and/or higher to handing over to the client). Based on these criteria, a total of 300 populations are identified in the directory and emailed as targeted samples. Most specifically, the unit of analysis are officials from the professional grade (ranked 54, 52, 48, 44, 41) technical and support grade (ranked 36-29). Population background is chosen from 6 major divisions that are The Development and Privatization Division (BPP), Road Planning Division (BPJ), Facility Management Division (BPF), the Road

Branch (CJ), Road Facility Maintenance Branch (CSFJ) and Building Facility Maintenance Branch (CSFB).

A pilot study had been done on 46 public officials and professionals in The Ministry of Work Malaysia for testing the robustness of the questionnaires and the modelling hypothesis. According to Hair et. al (2019), an evaluation of reflective instrument measurement involves several important coefficients such as outer loading, Cronbach Alpha (CA), Composite Reliability (CR), Average Variance Extracted (AVE) and Heterotrait-Monotrait Ratios (HTMT). In specific, the minimum accepted threshold value for CA is 0.70 (Nunnally, 1978). Through SEM-PLS v3.3 simulation some correction has been made to the instrument to ensure all CA values are above 0.70. However, as suggested by Fornell & Larcker (1981), some questions are still retained in the condition of AVE values are less than 0.50 but the CR values are above threshold of 0.70. The findings from the pilot study showed that the discriminant validity of the Heterotrait-Monotrait Ratios (HTMT) for all constructs met the threshold value of 0.85 and the maximum threshold value of 0.90. At this stage, a conceptual model shows that the implementation of ISP is able to explain 86.1 percent variances in the ethical behavior. Field sampling activity had been done via google form for the period of 28 days after getting permission from MoW and PWD office, dated 13 October 2021. Based on 300 population size, the minimum required sampling on G*Power analysis is 92 samples (Memon et al., 2020; Hair et al., 2017). This estimation is based on the parameter input of α (0.05), power (0.80), effect size (medium, 0.15), and predictors (5 IVs). Throughout sampling activities, 150 samples are received and 142 have been used for analysis after a thorough data cleaning process. Data distribution for *142 samples also went through a normality test using skewness and kurtosis. The skewness and kurtosis values for the six variables tested are between p> -0.759 to 0.840 (skewness) and p> -0.347 to 0.705 (kurtosis) which all are considered normally distributed since the probability exceeds 0.05 (*Sarstedt et al., 2014; Hair et al., 2017).

Finding and Discussion

Demographic of the Respondents

Data collection shows that almost two-thirds of the respondents are male (64.1 percent) while 35.9 percent are female respondents. Most of the respondents are grade 44 officers (28.2 percent). The percentage is narrowed toward higher grade officers to 19.7 percent for grade 48, followed by 14.1 percent (grade 52) and 7.7 percent for grade 54 officers. A small number of 17.6 percent are from grades 40 - 29. Based on sample distribution, most respondents are involved in the management and development of PWD's projects from the stages of planning to procurement, implementation, and monitoring. Most of them are lower and middle grades officers which directly involved in the value assessment (VA) session as well as in the value engineering laboratory (VE) for a new proposed project up to the stage of preparing important documents such as concept design and procurement details. Some of the respondents were also involved in the audit session conducted by National Audit Department (NAD). On the educational background, many respondents hold bachelor's degrees (54.2 percent), masters (32.4 percent), diplomas (10.6 percent), polytechnic certificates (2.1 percent) and PhDs (0.7 percent). In addition, most of the respondents have 11 to 15 years of working experience in the public agencies (30.86 percent), followed by 14.1 per cent that has experience between 16 to 20 years and 12.7 per cent between 1 to 5 years. The rest are those who have experienced between 6 to 10 years which is as much as 8.5 per cent.

General Understanding of ISP

All the respondents are knowing about the existence of ISP either at the PWD office or at the ministerial. Table 1 shows that almost half (47.2 percent) of the respondents are well understood about the introduction and implementation of ISP in the year 2014. A total of 16.9 percent considering themself very knowledgeable about ISP, while 28.9 percent knowing a little. In general, most respondents are considered knowing or alert about the existence of ISP and only 7 percent does not know about it at all.

Table 1
General understanding of ISP in work practice (n=142)

Understanding of ISP	**Frequency**	**Percentage**
Very knowledgable	24	16.9
Well understood	67	47.2
A litte bit knowing	41	28.9
Not Know at all	10	7.0

Does ISP Affect Ethical Behavior?

The implementation of ISP is expected to be a catalyst for a better ethical behavior among officials such as attitudes of compliance, disciplined, punctuality, productive and most importantly avoiding misuse of power and corruption. The main question is whether the implementation of ISP had a significant impact on the expected ethical behavior or otherwise? In this article, the structural model used to test the impact of ISP toward ethical behavior is stated in the grand hypothesis of H_0: $Y = ß_0 + ß_1X_1 + ß_2X_2 + ß_3X_3 + ß_4X_4 + ß_5X_5$. According to Hair Jr et al. (2017), an evaluation whether the data fit the structural model requirements or vice versa is depending on the following criteria; (1) the collinearity threshold value must be less than 5 criteria (VIF < 5); (2) the significance relationship between the exogenous and the endogenous variable must be $p< 0.05$ and $t > 1.650$; (3) the predictive power or coefficient determination (R^2) must be acceptable (either strong ($R^2= 0.75$), moderate ($R^2= 0.50$) or weak ($R^2= 0.25$); (4) and the relevance of model framework predictions (Q^2) must be more than 0.000 ($Q^2 > 0.000$). Based on these criteria, a predictive assessment of the impact of ISP toward the ethical behavior can be decided.

Following those criteria in the PLS-SEM algorithm and cross-checking output through SPSS v25, results show that there are no issues related to the collinearity. Since the model is not complex and the sample size is relatively small, the use of the 5000 bootstrap samples is very helpful for calculating the metric values and model robustness. As shown in Table 2, the VIF resulting from the test is <3.3 which according to Diamantopoulos & Siguaw (2006) considered as more precise than the general acceptable range of < 5.0. For significance relationship and β analysis, all test results generated using the bootstrap procedure are significant ($p<0.5$, $t>1.65$) except for the relationship between Monitoring (M) and Ethics Education and Training (T) toward ethical behavior (EB).

Table 2
Coefficient path analysis between IV and DV

Variables (R/ship)	β (Path *Coefficient)*	*Standard Error*	t *value*	p-value	Sig.	VIF
M - EB	-0.255	0.085	*3.009	*0.001	Yes	1.944
C – EB	-0.147	0.122	1.212	0.113	No	2.542
P – EB	0.428	0.120	*3.569	*0.000	Yes	2.457
W- EB	0.207	0.110	*1.884	*0.003	Yes	2.503
T - EB	0.095	0.083	1.154	0.124	No	1.752

Note: M = Monitoring/Regulatory, C = Compliance, P = Punishment, W = Whistleblowing, T = Ethics Education & Training & Latihan, EB = Ethical Behavior. Significance * p < 0.05, * t > 1.650

Since the path coefficient between C-EB and T-EB are not significant, the explanatory power of research model is affected. The results in Figure 1 shows the coefficient determination (R^2) value for each exogenous variable toward endogenous variable is 0.377. This result means all five ISP pillars that are (M) monitoring/regulatory, (C) compliance, (P) punishment, (W) whistleblowing and (T) ethical education & training is significantly contribute a proportional variance in total of 37.70 percent toward the ethical behavior (EB). This finding is considered to have a moderate to weak influence. Based on Figure 1.0, the result show that the ISP pillars in ethics education and training (T) and Compliance (C) are not strongly correlated with Ethical behavior (EB), thus affecting the total value of cumulative variances.

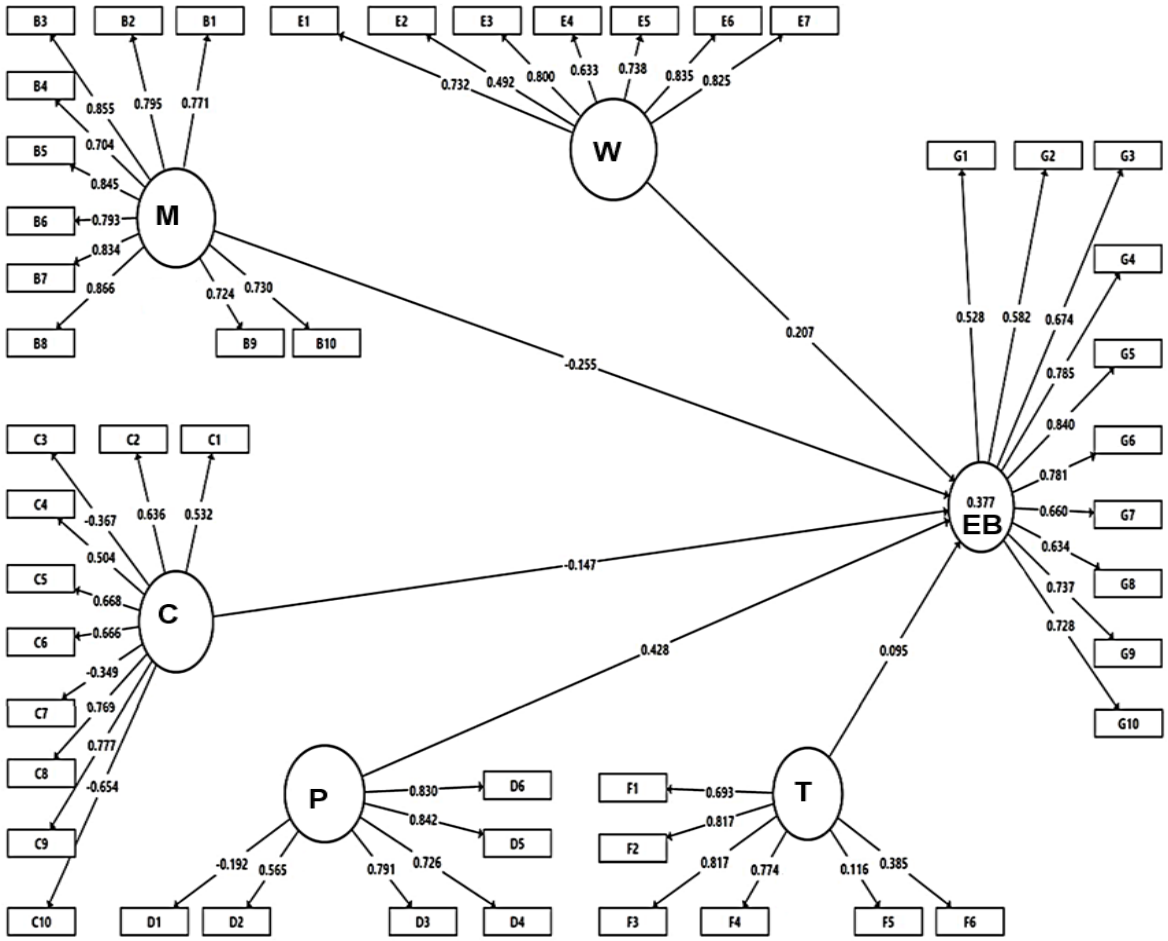

Figure 1: Results of the Structural Model SEM-PLS (p< 0.05), n=142

Note: M = Monitoring/Regulatory, C = Compliance, P = Punishment, W = Whistleblowing, T = Ethics Education & Training & Latihan, EB = Ethical Behavior

Since the explanatory power of the model is moderate at only 37.7 percent, the question that arises is whether the predictive power of the model is acceptable or should be neglected? According to Sarstedt et al (2014); Hair et al (2019), the model is considering valid for prediction purpose if $Q^2 > 0$ which explains the exogenous latent variables are able to predict the endogenous latent variable. Current guidelines on Q^2 analysis state that a threshold value of $Q^2 > 0.50$ indicates a high predictive power, if $Q^2 > 0.25$ is considered moderate, while $Q^2 > 0$ is considered small (Hair et al., 2019). For this purpose, the Shmueli's PLSpredict method (2019) was used to assess the predictive power of the research model. As suggested by Shmueali et al. (2019), a total of 10 subset data (k=10) was used in PLS algorithm where 1,420 data were generated in 10 repeated measures. The PLSpredict approach uses input results from the root mean square error (RMSE), mean absolute error (MAE) and Q^2 prediction (Hair et al. 2019). Based on the final output in Table 3, all indicators used in the PLSpredict have a forecast $Q^2 > 0$, thus met the forecasting requirement. Therefore, the root means square error (RMSE) was chosen to determine the predictive power of the model framework.

Table 3
Results of PLSpredict using Smart PLS v3.3.3

			PLS *predict*		LM *predict*		LM - PLS	
Constructs	**Indicator**	**Q^2 *predict***	**RMSE**	**MAE**	**RMSE**	**MAE**	**RMSE**	**MAE**
Ethical Behavior (EB)	G1	0.147	1.504	1.220	1.607	1.265	0.103	0.045
	G2	0.078	1.437	1.141	1.744	1.411	0.307	0.270
	G3	0.184	1.553	1.279	1.874	1.492	0.321	0.213
	G4	0.178	1.102	0.848	1.225	0.962	0.123	0.114
	G5	0.224	1.229	0.948	1.472	1.156	0.243	0.208
	G6	0.179	1.331	1.008	1.574	1.232	0.243	0.224
	G7	0.120	1.368	1.054	1.577	1.188	0.209	0.134
	G8	0.062	1.693	1.395	1.865	1.545	0.172	0.150
	G9	0.116	1.501	1.222	1.776	1.368	0.275	0.146
	G10	0.060	1.674	1.369	1.914	1.540	0.240	0.171

Note: All indicators PLS predict < Linear Model predict = high predictive power

Since all ten indicators (G1-G10) show 100% RMSE PLSpredict < RMSE LMpredict (Linear Model), the conclusion made is that the model has high predictive power (Shmueli et al., 2019).

Conclusion and Recommendation

The implementation of the ISP through various strategies, programs and activities becomes an important catalyst for a good behavioral change among the public officials. Based on SEM-PLS analysis, we conclude that the implementation of the ISP has significantly impacts the ethical behavior among public officials at the PWD and MoW at large. The model is considered to have high predictive power with a moderate significant contribution of 37.7 percent. This

statistically means that 37.7 percent of changes in ethical behavior is explained by the existence and implementation of ISP while 62.3 percent are explained by other variables that are not include in research.

The moderate significant effect for the model is also due to fact that not all elements in the ISP pillars having the same weight and significantly correlated ethical behavior. The pillars of Compliance (C) and Ethic Education & Training (T) are found insignificant to ethical behavioral change among officials (both are β= -0.147, p<0.124 and β=0.095, p<0.113). To put into practice, the insignificance results reflect the organizational efforts to create the realm of consciousness or an appreciation of integrity in the aspect of compliance (C), as well as ethical education and training (T) within their officials is less effective or not fruitful. This finding is quite similar to the results of previous studies such as study by (Alam et al., 2018; Johannsen & Pedersen et al., 2012; Meyer-Sahling & Mikkelsen, 2014; Goel & Rajh, 2014; Shan et al., 2014). For example, Goel & Rajh (2014) stressed on the important of culture, compliance, and internal control to cultivate good ethic in the workplace. Meyer-Sahling & Mikkelsen (2020) also concluded that the ethic code and compliance initiatives are not effective and have negative effect on corruption.

Why does compliance initiatives fail to form an expected ethical behavior among PWD officials? This negative correlation (β=-0.147) is reflecting to a group of officers who still often violate the rules of work even though the organization has clearly established the protocols, SOP, ethics, and other kind of discipline to follow. In this context, the principal-agent theory has a strong foundation when asserting that agents often violate work ethics and rules set by the principal due to the existence of personal interests and attitudes that conflict with the principal's decisions. It is human nature to violate compliance practices because such compliance may be burdens to certain individuals. The effort taken by PWD in compliance strategies may not be strong or holistic, and the element of fear does not widespread among officials. Therefore, it is suggested for the PWD to further intensify compliance initiatives by creating effective mechanisms such as continuous monitoring audits, whistleblowing, disciplinary actions, and strict punishments regarding work compliance. This recommendation is in line with the findings results that show the pillars of Punishment (P) and Whistleblowing (W) and Management (M) are significantly contribute to ethical behavior.

In addition to compliance, an important point is also result of negative relationship between pillars of ethical training and education (T) with ethical behavior (EB). Since ages the education and training (T) has been seen as an important tool for individual and organizational development, but the result found is a negative in relationship with ethical behavior. How did this happen? For PWD, it is important to examine what is wrong with the participants, method, content, and delivery of integrity-related education and training (T) so that it would help the improvement. In the context of this study, some possible issues that can be noted are the lack of provision and opportunities for officials to be involved in education and training instead of too exclusive or simplify education and training activities. To encourage ethical behavior at workplace, the organization can take steps to create a good narrative around their reputation by implementing measures that help ensure ethical conditions and perceptions of organizational support. Instead of this, the PWD could strengthen reactive systems for reporting unethical behavior and promoting a proactive employee voice system.

Acknowledgements

Special thanks to The National University of Malaysia (UKM) for research grant Code SK-2019-014. Special thanks also dedicated Public Work Department (PWD) and Ministry of Work Malaysia (MoW) for the permission of conducting research activities.

References

Alam, M. M., Johari, R. J., & Said, J. (2018). An Empirical Assessment of Employee Integrity in the Public Sector of Malaysia. *International Journal of Ethics and Systems* 34(4): 458-471.

Alam, M. M., Said, J., & Abd Aziz, M. A. (2019). Role of Integrity System, Internal Control System and Leadership Practices on the Accountability Practices in the Public Sectors of Malaysia. *Social Responsibility Journal* 15(7): 955-976.

Anggaran Perbelanjaan Persekutuan. (2022). *Ministry of Finance Malaysia*. https://budget.mof.gov.my/pdf/2022/perbelanjaan/Anggaran_Perbelanjaan_Persekutuan_2022.pdf

Atan, R., Alam, M. M., & Said, J. (2017). Practices of Corporate Integrity and Accountability of Non-Profit Organizations in Malaysia. *International Journal of Social Economics* 44(12): 2271-2286.

Braun, D., & Guston, D. H. (2003). Principal-Agent Theory and Research Policy: An Introduction. *Science and public policy* 30(5): 302-308.

Collin, R. (2002*). Real World Research. A Resource for Social Scientists and Practitioner-Researchers (Second ed.). Malden: Blackwell. p. 624. ISBN 978-0-631-21305-5.*

Deshpande, S. P., Joseph, J., & Prasad, R. (2006). Factors Impacting Ethical Behavior in Hospitals. *Journal of Business Ethics* 69(2): 207-216.

Fornell, C., & Larcker, D. F. (1981). Evaluating Structural Equation Models with Unobservable Variables and Measurement Error. *Journal of marketing research* 18(1): 39-50.

Goel, R. K., Budak, J., & Rajh, E. (2015). Private Sector Bribery and Effectiveness of Anti-Corruption Policies. *Applied economics letters* 22(10): 759-766.

Hair, J. F., Hollingsworth, C. L., Randolph, A. B., & Chong, A. Y. L. (2017). An Updated and Expanded Assessment of Pls-Sem in Information Systems Research. *Industrial Management & Data Systems* 117(3): 442-458.

Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to Use and How to Report the Results of Pls-Sem. *European Business Review* 31(1): 2-24.

Hair Jr, J. F., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (Pls-Sem).* 2. United States of

Huberts, L. W. (2018). Integrity: What It Is and Why It Is Important. *Public Integrity* 20(1): S18-S32.

Johannsen, L., & Pedersen, K. H. (2012). How to Combat Corruption: Assessing Anti-Corruption Measures from a Civil Servant's Perspective. *Halduskultuur* 13(2):

Kapeli, N. S., & Mohamed, N. (2019). Battling Corruption in Malaysia: What Can Be Learned? *Journal of Financial Crime* https://doi.org/10.1108/JFC-1104-2018- 0044.

Kaptein, M. (2014). The Effectiveness of Ethics Programs: The Role of Scope, Composition and Sequence. *Journal of Business Ethics* 132(2): 415-431.

Kementerian Kerja Raya. (2014). *Pelan Tindakan Pengukuhan Integriti Kementerian Kerja Raya Malaysia 2014-2015.* Kuala Lumpur: Kementerian Kerja Raya.

Kementerian Kerja Raya. (2016). *Pelan Tindakan Pengukuhan Integriti Kementerian Kerja Raya Malaysia 2016-2020.* Kuala Lumpur: Kementerian Kerja Raya.

Anuar, K. C. A. (2016). The Effects of National Integrity Policy, E-Government and Legal Framework on the Perception of Corruption Practices in Malaysia: The Perspective of Legal Practitioners. Othman Yeop Abdullah Graduate School Of Business Universiti Utara Malaysia.

Klitgaard, R. (1998). Strategies against Corruption. *Presentation at Agencia Española de Cooperación Internacional Foro Iberoamericano sobre el Combate a la Corrupción, Santa Cruz de la Sierra, Jun* 15-16.

Krambia-Kapardis, M. (2020). An Exploratory Empirical Study of Whistleblowing and Whistleblowers. *Journal of Financial Crime* 27(3): 755-770.

Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and psychological measurement* 30(3): 607-610.

Lahat, L. (2019). New Institutionalism in Public Policy. Dlm. Farazmand, A. (pnyt.). *Global Encyclopedia of Public Administration, Public Policy, and Governance,* hlm. 1-4. Cham: Springer International Publishing.

Laporan Ketua Audit Negara (Siri 3). (2014). *Laporan Maklum Balas Ke Atas Isu-Isu Utama Dalam Laporan Ketua Audit Negara Mengenai Penyata Kewangan dan Pengurusan Kewangan Tahun 2014 dan Aktiviti Kementerian / Jabatan Serta Pengurusan Syarikat Kerajaan Persekutuan dan Aktiviti Badan Berkanun Persekutuan Serta Pengurusan Syarikat Subsidiari*. Putrajaya, Kementerian Kewangan Malaysia.

Mahan, T. (2019). *How to Define Ethical Behavior & Why it's important in the Workplace.* Work Institute.com. https://workinstitute.com/how-to-define-ethical-behavior-why-its-important-in-the-workplace-2/

March, J. G., & Olsen, J. P. (1983). The New Institutionalism: Organizational Factors in Political Life. *The American political science review* 78(3): 734-749.

McHugh, M. L. (2012). Interrater Reliability: The Kappa Statistic. *Biochemia medica,* 22(3): 276-282.

Memon, M., Ting, H., Cheah, J., Thurasamy, R., Chuah, F., & Cham, T. (2020). Sample Size for Survey Research: Review and Recommendations. *Journal of Applied Structural Equation Modeling* 4(2): 1-20.

Meyer-Sahling, J.-H., & Mikkelsen, K. S. (2020). Codes of Ethics, Disciplinary Codes, and the Effectiveness of Anti-Corruption Frameworks: Evidence from a Survey of Civil Servants in Poland. *Review of Public Personnel Administration* 1-23.

Min, K-S. (2019). The Effectiveness of Anti-Corruption Policies: Measuring the Impact of Anti-Corruption Policies on Integrity in the Public Organizations of South Korea. *Crime, Law and Social Change* 71(2): 217-239.

Miller, K. (2007). *Communication theories: perspectives, processes, and contexts* (2nd ed.). Beijing: Peking University Press. p. 35–45. ISBN 9787301124314.

North, D. C. (1990). *Institutions, Institutional Change, Economic Performance.* New York: Cambridge University Press.

Omar, N. H., Awang, A., & Manaf, A. A. (2012). Integriti Dari Perspektif Pengaduan Awam: Kajian Kes Di Jabatan Pengangkutan Jalan Malaysia. *e-BANGI* 7(1): 141-155.

Omar, N. H., Selamat, M. N., Aziz, S. F. A., Mohd, R. H., & Ismail, R. (2021). Integrity Risk in The Customs Automation System. *International Journal of Academic Research in Business and Social Sciences*, *11*(3), 206–222.

Owusu, E. K., Chan, A. P., Yang, J., & Parn, E. (2020). Towards Corruption-Free Cities: Measuring the Effectiveness of Anti-Corruption Measures in Infrastructure Project Procurement and Management in Hong Kong. *Cities* 96(102435.

Owusu, E. K., Chan, A. P. C., DeGraft, O. M., Ameyaw, E. E., & Robert, O. K. (2019). Contemporary Review of Anti-Corruption Measures in Construction Project Management. *Project Management Journal* 50(1): 40-56.

Polit, D. F., & Beck, C. T. (2006). The Content Validity Index: Are You Sure You Know What's Being Reported? Critique and Recommendations. *Research in nursing & health* 29(5): 489-497.

Powell, W. W., & DiMaggio, P. J. (1991). *The New Institutionalism in Organizational Analysis.* USA: University of Chicago Press.

Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair, J. F. (2014). Partial Least Squares Structural Equation Modeling (Pls-Sem): A Useful Tool for Family Business Researchers. *Journal of Family Business Strategy* 5(1): 105-115.

Shan, M., Chan, A. P., Le, Y., & Hu, Y. (2014). Investigating the Effectiveness of Response Strategies for Vulnerabilities to Corruption in the Chinese Public Construction Sector. *Science and engineering ethics* 21(3): 683-705

Transparency International Malaysia. (2022). https://www.transparency.org/en/cpi/2021?gclid=CjwKCAjw7eSZBhB8EiwA60kCW9MLqooDe1T20T2-Y39N9DTxMxHxwlimPpTEaTRihbkUbe5LgVnN vBoCluUQAvD_BwE

Shmueli, G., Ray, S., Velasquez Estrada, J. M., & Chatla, S. B. (2016). The Elephant in the Room: Predictive Performance of Pls Models. *Journal of Business Research* 69(10): 4552–4564.

Shmueli, G., Sarstedt, M., Hair, J. F., Cheah, J.-H., Ting, H., Vaithilingam, S., & Ringle,
C. M. (2019). Predictive Model Assessment in Pls-Sem: Guidelines for Using Plspredict. *European Journal of Marketing* 53(11): 2322-2347.

Sulaiman, N. A. (2021). Juruukur Disiasat Terima Rasuah Rm1.2 Juta. *Berita Harian*, 7 April: ms 3.

Tabish, S. Z. S., & Jha, K. N. (2012). The Impact of Anti-Corruption Strategies on Corruption Free Performance in Public Construction Projects. *Construction Management and Economics* 30(1): 21-35.

Ulain, N., & Hussain, F. (2020). Fighting Governmental Corruption in Pakistan: An Evaluation of Anti-Corruption Strategies. *Hrvatska i komparativna javna uprava: časopis za teoriju i praksu javne uprave* 20(3): 439-468.

Vannucci, A. (2015). Three Paradigms for the Analysis of Corruption. *Labour & law issues* 1(2): 1-31.

Yusoff, A. Y., & Ali, M. N. (2016). *A National Integrity System.* Kuala Lumpur: The Malaysian Institute of Integrity (INTEGRITI).

Zahari, A. I., Said, J., & Arshad, R. (2019). Integrity Climate Questionnaire. *Cogent Psychology* 6(1): 1-18.