Experts

Ethics & Integrity - Are we in right direction?

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As a young nation, Malaysia has achieved many success stories over the years since it received its independence in 1957. From an agro-based economy it has progressed significantly well and destined to be a fully developed nation by the year 2020. But with the current environmental scenario that has developed, we as nation will have to give a deep thought as to whether this vision is going to be realized? Have we as a nation effectively managed our huge human capital, fiance and natural resources? Recent debacles reported in the main stream media makes us a bit shaky as a nation on the grounds of morality, ethics and integrity. Yes, we have achieved many in terms of material gains, but in return we began throwing away many good values that we have inherited from our forefathers. We do have good world-class infrastructures but at times we are poor in our process of delivery system. Our national development was put to halt because there is among us dishonest public officials and these sad episodes are much more glaring in the recent months. We have also greedy business persons who are out there to make quick bucks and their bottom-line is solely based on dollars and cents; regardless of what the circumstances are. There are also among the “rakyat” dishonest people who do whatever it takes to get on to BRIM which negates the noble intention of the government in its objectives. Why is happening? Could it be attributed that we have move too fast too soon. We have grown from a simple living into a materialistic culture. What is important today to most of us is about realizing our self-actualization at all cost; in this pursuit we are not able to distinguish between what we want and do we really need. As a result many of us aspire for a good living at all costs. Henceforth, our means justify the end. This has to be ratified immediately that needs collective effort of all through good governance and integrity and a sincere leadership. But this could not happen without the right environmental culture. Good governance entails core values of honesty, trustworthiness, wisdom, fairness, transparency and gratitude. Henceforth, this calls for integrity. Simply put in the words of Tan Sri Datuk Dr. Abdul Samad Alias (Past-President of the Malaysian Institute of Accountants – Accountancy, 2006) , “Integrity is really a matter who are you when the one is around”. Henceforth, integrity is a quality of excellence that is manifested in a holistic and integral manner in individuals and organizations. Moreover, it has to be sown to one-self through ethics and noble values. This is what for us to nurture without fail because integrity and good governance begins with our individual self.

The process of globalization and liberalization policy has brought about a business environment of uncertainties where businesses and management scholars are critical of how businesses are transacted that has resulted into a corporate business cultures that are less homogenous and where malpractices are the name of the game. The malpractices if not properly managed will create personalities who are self-centered, self-indulgent and may not care and bother to consider all the possible perceptions and ramifications of their actions. For this it calls for the inculcation of good governance in the soul of the entrepreneurs. It is the duty of the community at large and other stake holders to give directions and guidance to various component of the business system of the country so that they will work in a close manner together to build a united, harmonious, moral and ethical society that raise to the competitiveness and resilience of meeting the challenges of globalization. Is this is so what is good corporate governance?

Good corporate governance, proper accountability, transparency and business ethics are the hallmark of respected business. There is a significant body of evidence to show that those businesses with high ethical codes of practice and a commitment to enhancing integrity are not only profitable but more likely to succeed in our commercially competitive world. Governance is a critical factor, crucial to the success or failure of any organization, institution, or even government. An organization, institution, or even a country can proper and achieve fame or be reduced to bankruptcy and dispute because of good and bad governance. The critical importance of governance for the organization, institution, or country therefore cannot be overemphasized. To this effect I would like to quote an Arabic Poet by the name of Ahmad Shauqi Bey. He rightly put it that “Nations survived as long as their morality is alive. When their morality is gone, they too perish”. Almarhum Bapak Hamka, a prominent Indonesian Scholar further retreated that, “ In the 1960’s, while we are now able to create cities and modern concrete jungle; yet at the same time the soul of its inhabitants appear to be empty and benefit of meaning. Issues governance is also narrated in the holy Qur’an (97, 7 – 19),” By the soul and the proportion and the order given to it, and its enlightenment as its wickedness and its piety. Successful is the one who keeps it pure and ruined is the one who corrupts.”
Corruption index year 2016 issued by transparency international show that Malaysia ranked number 55th from 176 with a score of 49%. From a list of 176 countries over two third indicated a score of below than 50% for CPI in the year 2016. According to the report by TI, corruption happened because people frequently face situations of bribery and extortion, rely on the basic services that have undermined by the misappropriation of funds, and confront official indifferences when seeking redress from authorities that are on the take. To us Malaysians this finding needs to be given with serious intention.” If that is the premise, issues of measurement and assessment of the governance climate is vital. To further enhance the climate of positive corporate governance, the government has embarked on the formation of the Malaysian Code of Corporate Governance (MICCG 2007). This measure was put in place because there are cases where board of directors and chief executive officers are the prime doers of the negative and unethical practices which include; overstated of assets, overstated of revenues, counterfeiting merchandise, overstated profit and overstated assets. Thus beginning 2001 the government has initiated key measures to confront these counterproductive actions that include; guidance for directors for statement of internal control, guidelines for the function of statement of statement of internal control, listing requirements for internal audit function and in 2010 the whistle blowing provision was introduced. But our question is, if the measures are already in place why are still the issue of non-compliance in the state government-link companies.

Ethics may be defined as the set of moral principles by which human actions that distinguish what is right from what is wrong. On the other hand, from the Muslim’s perspective ethics is about akhlak, i.e one’s personality that is reflected in an individual’s behavior towards god and other human beings. Akhlaq speaks of rightness, equity, equilibrium & justice, truth and right, known and approve and piety. Above all ethics is about amanah (trust). It represents a psychological contract between a leader and his followers that will try his best to guide them, to protect them and to treat them fairly with justice. Hence, the focus of leadership in Islam is about doing well. Ethics is not a number game. It refers to akhlaq (goodness) of which its concern is about rightness, equity, equilibrium & justice, truth & right, known and approve and piety. It also entails the concept of “amanah”. It represents a psychological contract between a leader and his followers that he will try his best to guide them, to protect them and to treat them with justice. Hence, ethics focuses on doing well. This concept is consistent with the philosophy of Al-Ghazali where he wrote, “Ethics is the moral nature of an individual, (psychology) a phase of personality comprising especially the more enduring traits which are of ethical and social significance”.

Integrity is a quality of excellence that manifested in a holistic and integral manner in individuals and organizations. Integrity is based on ethics and noble values and their concrete manifestations in their

daily lives. It takes place in three levels namely; individual, organization and public officials. At the individual level, it relates to the harmony between what an individual say and what he does. His or her actions are in accordance with the moral and ethics principles as well as regulations and do not go against public interest. They also reflect promptness, correctness and quality. With regards to the quality of organizations integrity is reflected in the formulation and implementation of its code of ethics, client charter, and as a system or work procedures, as well as compliance with best practices. The organization's code of code of ethics is constantly retreated, internalized and upheld by members of organization until it becomes second nature and ultimately transform into the culture for the organization as a whole. Dwelling further, the integrity of public officials means carrying out the trust and responsibilities bestowed upon them with public interest in mind. They are not allowed to misuse their power for self-interest, or for the interest of their families or relatives. Should there a conflict occurs, public interest over rides personnel interest. Holders of public office must be transparent, sincere and accountable. With this in mind the government has tried to inject the government best practices (core values) comprising of honesty, trustworthiness, wisdom, fairness, transparency and gratitude.

Employees of organizations without doubt are exposed to all levels of challenges that trap them in ethical dilemmas. Hence it is necessary for top leadership to prepare them with the ability to recognize, appreciate and resolve ethical issues in their everyday dealings. Putting this into perspective, education is the most important institution in building of ethical values, which contribute to the development of a responsible, trustworthy and ethical person or employees. The role of the education system as to whether it is formal or non-formal is to create consciousness against being unethical. It is necessary that the education process would be able to transform the elitism on an individual to a people based on integrity and transparency. With education, knowledge, skills, the right attitude could be molded into a person that will fast track his character development. Education is undoubtedly is the most important means in instilling ethical values, which contribute to the development of responsible, trustworthy and ethical personalities. Other than the goal of imparting knowledge, developing skills and molding the right attitudes, good and holistic education system have always emphasized the importance of character development. In Malaysia to further enhance the ethical standing of a person, the national educational policy recognizes the importance of religious and moral education to be embedded into the primary and educational school curriculum. It is the moral and religious curriculum that reaffirmed one's ethical values that is wrapped around the following values:

1. Commitment to and the respect for knowledge, wisdom and truth.
2. Faith and piety in god.
3. Obedience of and love of parents.
4. Respect for elders and teachers.
5. Accountability to God and human authority.
6. Purification of the soul.
7. Justice and fairness.
8. Responsibility and discipline.
9. Honesty, integrity and trustworthiness.
10. Compassionate and caring.
11. Courage and diligence in good deeds, and
12. Cleanliness in body and mind.

It is earlier said that for good governance to prevail there is a need for the enculturation process to be sown into the soul of corporate people. The attributes important to the soul are patience, wisdom,

reliance on god, allegiance and accountability. As argued earlier, the way forward to realize this is also through education training of ethics. Teaching is fundamental to the learning process. Informal education by parents to supplement the role of formal education is to instill values in the children. It could begin with the family environment where strong, resilient and caring values should be instilled. The education system should include special modules in promoting and nurturing ethics among students by setting standard rules of do's and don'ts in incorporating integrity as a way of life. It need also to consolidate and strengthen the education system to include the anti -corruption awareness along with other moral and religious studies. At the school level this training should be enhanced by continuous learning and education. The learning process at school tertiary and organizational level should explore ethics and integrity awareness, training and education, and the integration of such training into the overall development of prospective employees. This category should include 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. But this does not stop here; initiatives of training should be further monitored by head of departments through:

1. Raising awareness, commitment and cooperation among all sectors in their efforts at enhancing integrity so that it becomes a way of life.
2. Encouraging a sense of accountability among members of the community and to promote the development of a civil society that respects the principles of integrity.
3. Contributing towards strengthening the moral foundations of the community and the country and improving the well-being of the community.
4. Raising the competitiveness and resilience of meeting the challenges of globalization.

Organizational factors like culture and climate, codes of ethics, rewards and sanctions have an impact upon organizational ethics perception. Organizational culture is monitored with specific attention paid to how employees view the internal environment for ethical action, Organizational climate is defined as "psychologically meaningful molar descriptions that people agree to characterize as a system's practices and procedures. The related concept of ethical climate is defined as the psychological perceptions of employees towards the ethical policies and procedures of organizations. The concept of differential association has been used in numerous studies to explain that the ethical learning process happens over time as a result of interaction with individuals in which we observe ethical and unethical actions. As leaders in our own right we have to start building good values within ourselves before cascading it down to our fellow organizational colleagues. We have to give directions and guidance to build a united, harmonious, moral and ethical society. We need to create awareness, commitment and cooperation among all sectors in their efforts at enhancing integrity so that integrity can become a way of life. For this Universiti Malaysia Pahang and Yayasan Pahang has developed the Anti Bribery System Check-List which is the one and only in the country. This index has raised interest from various institutions namely; Transparency International, Institute Integrity Malaysia, Audit General Office and the Institute of Internal Auditors. I presume with this enormous interest it will be a national agenda.

You are the best of peoples, evolved for mankind, enjoining what is right, forbidding what is wrong, and believing in Allah." (Qur'an 3:110)

“The ultimate measure of man is not where he stands in moments of comfort and convenience, but where he stands at times of challenge and controversy". (Martin Luther King Jr.)

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