# HUMAN RESOURCE MANAGEMENT PRACTICES, AFFECTIVE COMMITMENT AND PERCEPTION TOWARDS CORRUPTION AND BRIBERY IN ROYAL MALAYSIAN POLICE



DOCTOR OF BUSINESS ADMINISTRATION UNIVERSITI UTARA MALAYSIA 2015

# HUMAN RESOURCE MANAGEMENT PRACTICES, AFFECTIVE COMMITMENT AND PERCEPTION TOWARDS CORRUPTION AND BRIBERY IN ROYAL MALAYSIAN POLICE



Thesis Submitted to Othman Yeop Abdullah Graduate School of Business, Universiti Utara Malaysia, in Partial Fulfilment of the Requirement for the Doctor of Business Administration

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### ABSTRACT

The main purpose of this study was to investigate the Human Resource Management practices (training and development, career development, salary and benefits and performance appraisal) and the perception towards corruption and bribery in the Royal Malaysian Police. Specifically, it was aim to investigate the mediating effect of affective commitment between Human Resource Management practices (training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery in the Royal Malaysian Police. The motivation for this study was driven by the inconsistent findings in literature concerning the relationships between the Human Resource Management practices (training and development, career development, salary and benefits and performance appraisal) and the perception towards corruption and bribery. Accordingly, this study has integrated the Herzberg's Two Factor Theory to map and position the possible relationships between the variables in the research framework. The study utilises a survey questionnaire which was randomly distributed to 700 Royal Malaysian Police officers and staffs from 5,647 in Penang. Out of 412 returned questionnaires, 386 (55%) were found to be completed and was used in the analysis. Correlation and regression analysis was used to analyse the relationship between the related variables in the study. The results revealed that career development, salary and benefits and affective commitment are positive determinants of perception towards corruption and bribery while career development, salary and benefits and performance appraisal are positive determinants with affective commitment. Moreover, a partial mediating effect of affective commitment on the relationships between Human Resource Management practices and perception towards corruption and bribery was confirmed by the findings. Finally, contributions and limitations of the study as well as suggestions for future research were discussed.

**Keywords:** Human Resource Management, affective commitment, corruption, bribery, Royal Malaysian Police

### ABSTRAK

Tujuan utama kajian ini dijalankan adalah untuk mengkaji amalan Pengurusan Sumber Manusia (latihan dan pembangunan, pembangunan kerjaya, gaji dan faedah serta penilaian prestasi) dan kesannya terhadap persepsi terhadap rasuah dan sogokan di kalangan Polis DiRaja Malaysia. Ia bertujuan untuk menyiasat kesan pengantara komitmen afektif dengan amalan Pengurusan Sumber Manusia (latihan dan pembangunan, pembangunan kerjaya, gaji dan faedah dan penilaian prestasi) dengan persepsi terhadap rasuah dan sogokan. Kajian ini dijalankan memandangkan tiada kajian yang jelas serta konsisten mengenai hubungan antara amalan Pengurusan Sumber Manusia (latihan dan pembangunan, pembangunan kerjaya, gaji dan faedah dan penilaian prestasi) dengan persepsi terhadap rasuah dan sogokan. Hubungan ini boleh dijelaskan dengan menggunakan Teori Motivasi untuk menghubungkan di antara pembolehubah di dalam rangka kerja kajian. Kajian ini menggunakan kaedah soal selidik yang telah diedarkan secara rawak kepada 700 polis dari 5,647 kakitangan Polis DiRaja Malaysia di Pulau Pinang. Daripada 412 soal selidik yang dikembalikan, 386 didapati lengkap dan sesuai untuk dianalisa. Korelasi dan analisis regresi digunakan untuk menganalisis hubungan antara pemboleh ubah yang berkaitan dalam kajian ini. Keputusan menunjukkan bahawa pembangunan kerjaya, gaji dan faedah dan komitmen afektif adalah penentu positif persepsi terhadap rasuah dan sogokan manakala pembangunan kerjaya, gaji dan faedah dan penilaian prestasi adalah penentu positif terhadap komitmen afektif. Selain itu, terdapat kesan separa perantara komitmen afektif antara amalan Pengurusan Sumber Manusia dan persepsi terhadap rasuah dan sogokan telah disahkan mempunyai hubungan oleh penemuan tersebut. Akhir sekali, sumbangan dan limitasi kajian serta cadangan kajian masa depan turut dibincangkan.

Universiti Utara Malaysia

Kata kunci: Pengurusan Sumber Manusia, komitmen afektif, rasuah, sogokan, Polis DiRaja Malaysia

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### LIST OF ABBREVIATIONS

- ACAB Anti Corruption Advisory Board
- CC Complaints Committee
- CCPP Consultation And Corruption Prevention Panel
- CEO Chief Executive Officer
- FCPA Foreign Corrupt Practices Act
- FDI Federal Direct Investment
- HRD Human Resource Development
- HRM Human Resources Management
- HRMP Human Resources Management Practices
- ICI Institution for Community Inclusion
- KMO Kaiser-Meyer-Olkin
- MACC Malaysian Anti Corruption Commission
- NBI National Bureau Of Investigation
- OECD Organisation for Economic Co-operation and Development
- ORP Operation Review Panel
- PM Personnel Management
- RMP Royal Malaysian Police
- SCC Special Committee On Corruption
- SHRD Strategic Human Resource Development
- T&D Training And Development
- UK United Kingdom
- USA United States of America

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#### **CHAPTER ONE**

### **INTRODUCTION**

#### 1.0 Background of the Study

Previous literature focussing on corruption and bribery reveals that the effects of corruption and bribery on a nation economic performance and in small level firms are inconclusive (Abed & Gupta, 2002; Duvanova, 2014). Popova and Podolyakina, (2014) stated that corruption and bribery has a bad influence on firms and suggest that corruption and bribery has a negative effect on firms as it is proven to be harmful towards the nation economic development. Another point of view suggested that corruption and bribery are the result of uncertainty in the business environment such as the under-provision of public goods which gave an opportunity for officials to seek bribe (Reinikka & Svensson, 2005). The illegality of corruption results in market distortions. Firms who are convicted in giving out bribes will be punished and penalised and will slower the rate of a nation growth and development process.

Bardhan (1997) stated that corruption and bribery is essential as it help business firms to avoid troublesome government regulation. However, this action will affect the level of competitiveness in the business environment negatively. This study reveals that both corruption and bribery can affect a nation growth positively and negatively. This suggested that the impact of corruption should remain as an important issue and should be researched more.

Corruption and bribery in dealings between business firms, government officials and politicians is a complex problem that needs to be tackled from multiple angles. Most anti-

corruption and bribery strategies that have been proposed in policy forums and studied by researchers have two features. First, they are controlled by the government; either by the general apparatus of police and courts, or special anti-corruption agencies. Second, they operate on what may be termed as the demand side, namely by detecting and punishing the officials who demand bribes, either to grant special treatment's to those who meet their demands, or as an extra extortion payments for taking actions to which the applicant was entitled either without charge or for some nominal fee (Dixit, 2014).

The government's effort in combating anti-corruption and bribery faces a formidable obstacle as many of its own officials and politicians can receive advantages and benefits from corruption and bribery. The financial gains are large; political gains from reducing corruption and bribery may not be large enough to offset these. Therefore, enforcement of anti-corruption and bribery measures by one branch of the government is obstructed by other branches or departments with parallel or independent powers. The incentives of the business community as a whole are better aligned to resist corruption and bribery. In some situations, business may collude with government officials to increase costs of projects so both of these parties gain at the expense of the taxpayers. But on the whole, the politicians' and officials take it as a direct hit to the bottom line of business. A corrupt system also entails indirect costs to business by acting as a tax, and an uncertain and inefficient tax that reduces the incentive to invent and innovate (Ayyagari, Demirguc & Maksimovic, 2014).

Human resource management (HRM) can be defined as anything that can affect or influence an employee which includes philosophies, systems, practices and policies. The activities by the HRM activities include providing staff, training and development, performance appraisal compensation management, safety and health and industrial relations. HRM practises affect the employee's loyalty, job satisfaction level and their commitment towards the organisation (Huang, 2000). The growing popularity of the HRM concept in the early 1980s causes an up rise in the academic interest regarding its concept. Earlier versions of the HRM are mostly conceptual and not based on empirical evidence (Guest, 1989). During the 1990s, numerous researchers conducted many researches in order to find the relationship among the HRM practices and performance.

To survive the competitiveness and challenges of the business environment, the human resource practices should be as effective and competitive as the business environment. A well developed and efficient human resource practices will help the company in producing productive individuals that will aid the company greatly.

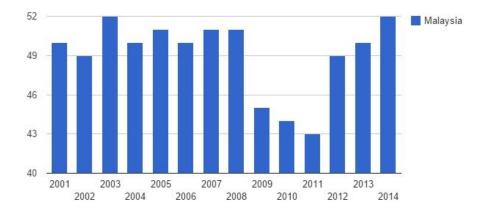
HRM also has a major role in affecting corruption and bribery. One of the HRM main functions is to ensure that the company follows and operates within ethical boundaries (Caldwell, Linh, Truong, & Tuan, 2011). Therefore, HRM departments have to design and organise a system that ensures that the company follows the ethical boundaries in order to eliminate or decrease the corruption and bribery level. Furthermore, Chidi, Ogunyomi and Badejo (2012) stated that unethical HRM practices should be put to a stop and instead be replaced with more ethical practices.

### **1.1 Problem Statement**

Malaysia ranked at number 50 among 175 countries in the 2014 Corruption Perception Index (CPI) with a score of 52% (The Malaysian Society for Transparency & Integrity, 2015). Under Bribery Payers Index of 2011 (latest data), Malaysia ranked 15 among 28 countries with a score of 0.76% (The Malaysian Society for Transparency & Integrity, 2015). Of course, a firm that wins a government license or contract through bribery will benefit at the expense of other competing firms. Therefore, individual firms are tempted to engage in bribery even when the business community as a whole stands to lose from the corrupted system. This is a prisoners' dilemma; individually rational choices lead to a collectively bad outcome. Like all such dilemmas, collective action is needed to resolve it (Dixit, 2014).

The 2011 Global Economic Crime Survey published by Pricewaterhouse Coopers (PwC) International Limited confirms that the economic crime continues to be on the upsurge in Malaysia. Specifically, corruption and bribery is the most common types of economic crime (PwC, 2011). The huge loss due to corruption and bribery in the public and private sectors environment has a direct impact on the development of infrastructure, facilities, utilities, and building the public trust. It behoves management in any government ministry, department, and agency to design procedures primarily meant to detect and prevent fraud from internal and external activities that may be difficult for any corruption perpetrator to penetrate. No country is immune to corruption and bribery, since it can come in several ways, either through internal or external connivance. The following graph shows the Corruption Perceptions Index for Malaysia (2001 to 2014) from Transparency International ranges from 0 (high corruption) to 10 (low corruption) (The Malaysian Society for Transparency & Integrity, 2015). The index is based on the results of multiple surveys in each country, aggregated into one number.





Source: TheGlobalEconomy.com, Transparency International

## Figure 1.1 *Malaysia Corruption Perception* Source: TheGlobalEconomy.com. Transparency International

The above chart displays the Malaysia corruption perception. Previous researched discovered that all governments around the world are at risk with the impending effect of bribery and corruption (National Fraud Authority, Annual Fraud Indicator, 2011). A reformation needs to be carried out by those responsible in detecting and limiting the effects of corruption and bribery.

In particular, corruption in the police force is a dire crisis in many Asian countries such as Bangladesh, India, Pakistan, Sri Lanka and Indonesia (Quah, 2006). These countries police force is viewed as the most corrupted agencies in their countries (Quah, 2006). Transparency International (TI) conducted a survey in five South Asian countries to study corruption. This survey involves 16,525 respondents and concludes that corruption has spread throughout all level of agencies (Royal Malaysian Police, 2005: 277). The Royal Commission reveals that traffic police personnel, investigating officers and their supervisors, detectives, prosecuting officers and police enquiry office personnel are more likely to accept bribes compare to other police officers. Reports claimed that corruption is also the norm in the police lockups. Detainees claimed that they need to pay for food, to receive visitors, to make phone calls and to receive a place in a better cell. It is also well known that police officers bribe each other to receive internal benefits such as being transferred to 'gold mine' postings such as the Commercial Crime Department, Traffic Branch, Criminal Investigation Department (D7 covering secret societies, antivice and gambling), Narcotics Department, Logistics Department (Procurement and Development) and Deployment and Promotions Division. Such findings were confirmed by the Royal Malaysian Police investigation (2005: 277).

Continuous effort has been made by the Malaysian government in fighting corruption and to encourage integrity in the society through a series of strategies and institutions. Tun Ahmad Badawi (ex-Prime Minister of Malaysia) that came to power after Tun Dr Mahathir (ex-Prime Minister of Malaysia) declared corruption and bribery as his main priority followed by a series of concrete measures. Only a portion of success was gained, as shown by new data that shows that corruption still exist in the society and has spread, and intensify throughout the years.

In spite of the numerous studies devoted to HRM and its role in limiting the level of corruption and bribery, many scholars have ignored corruptions in Malaysia (Kamali, 2013). There is a great demand to the Malaysian campaigns which is launching a major assault on corruption and bribery issues. Tunku Abdul Aziz called it an "All-Malaysian duty" in which everyone should participate in putting aside their political differences

(NST, 5 January, 2013). He added that all-Muslim has to appeal to the religious conscience of Islam and the Qur'an repeatedly enjoined upon all Muslims to practice good deeds and to elevate the standing of the ummah and Malaysia in the international community. Combating corruption and bribery was also mentioned in the teachings of the Qur'an and Hadith (Kamali, 2013). As such, a continuous research about corruption and bribery is important.

The government established the Malaysian Anti-Corruption Commission (MACC) in 1 January 2009, which serves as an organ of accountability and transparency. The MACC has wide powers to enforce all applicable laws to arraign, prosecute, and confiscate on behalf of the state from any perpetrators of occupational fraud or corruption and bribery (MACC, 2009). Despite the introduction of these measures, loss due to this occupational fraud or corruption and bribery in the Malaysian public sector is increasing and hence, requires urgent measures to stem the tides. There is no statistical data in Malaysia to verify or confirm the level of fraud in the public sector, yet the researcher argues that the fraud has become endemic as echoed by PwC's (2011) survey and the Auditor General 2011 Audit Report on the government financial statements.

The HRM practice is an important instrument in establishing and maintaining affective commitment (Meyer & Allen, 1997). Many studies have been done throughout the past two decades in determining how corruption and bribery can be controlled through affective commitment (Meyer & Allen, 1997). These studies (Meyer & Allen, 1997; Quah, 2004) provide some evidence suggesting that organisations can affect affective commitment through their HRM practices and the affect can be influenced by how

employees perceive these practices. The effective use of HRM practices to foster affective commitment requires an understanding in which these practices exert their influence on affective commitment.

In conclusion, the current study contributes by examining the role of HRM in improving the affective commitment in order to assist Royal Malaysian Police (RMP) in particular and the Malaysian government entities in general in reducing the prevalence of corruption and bribery. This study also suggests four key factors which represent the optimal combination of HRM. These factors are representative of training and development, career development, salary and benefits and performance appraisal, and its relationship with affective commitment as a mediating factor, at the same time examines the direct relationship between affective commitment and perception towards corruption and bribery in RMP.

There are not many successful stories in combating in corruption in the police force; however, Singapore and Hong Kong success in decreasing corruption in their police force suggested that it is attainable in controlling and preventing police corruption (Quah 2004). Hence, this study focuses on the perception of the RMP towards corruption and bribery by employing HRM practices and affective commitment.

### **1.2 Research Questions**

This study is conducted to address the gap in the literature. It offers three important questions as follows:

- 1. What is the relationship between Human Resource Management Practices (training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery in RMP?
- 2. What is the relationship between Human Resource Management Practices (training and development, career development, salary and benefits and performance appraisal) and Affective Commitment in RMP?
- 3. Does affective commitment mediates the relationship between HRM practices (training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery in RMP?

### **1.3 Research Objectives**

This study basically aims to achieve the following objectives:

- 1. To examine the relationship between Human Resource Management Practices (training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery in RMP.
- 2. To examine the relationship between Human Resource Management Practices (training and development, career development, salary and benefits and performance appraisal) and Affective Commitment in RMP.
- 3. To examine whether affective commitment mediates the relationship between HRM practices (training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery in RMP.

#### **1.4 Significance of the Study**

Knowing the cause of the problem is the most important steps in solving it. This research wishes to take a better look at the factors that may influence corruption and bribery to try to figure out whether HRM practices have a relationship to improve the affective commitment which ultimately leads to the alleviation of corruption and bribery.

Corruption is defined as the misuse of power to gain personal profit. Bribery is the act of given out money or favours in order to influence the judgment or conduct of a person in power (Merriam-Webster Dictionary). Scandals involving corruption does not only effect developing countries like Malaysia, Nigeria, India, and China but are also the norm in developed countries such as the United States of America (U.S.A), United Kingdom (UK) and France.

The nation economic development is often obstructed by the public sector's corruption (Graeff & Svendsen, 2013). Solid evidence given by Assiotis and Sylwester (2013) demonstrates the harmful effects of corruption on investment, economic growth, environmental quality and social welfare. Malaysia is also affected by corruption and bribery, and this motivates the researcher to conduct such study to examine the factors that can improve the anti-corruption policies.

This study is essential in giving an overview about the various HRM practices in order to achieve the affective commitment in Malaysia, which in turn limits the corruption and bribery phenomenon. In terms of theoretical significance, this study proposes to fill the gap in the body of knowledge in the practices of HRM in RMP in Penang by addressing these issues: first, the study aim to look into the relationship between HRM practices (represented by training and development, career development, salary and benefits, and performance appraisal) and perception towards corruption and bribery. Secondly, it is to investigate the relationship between HRM practices and affective commitment. Lastly, to examine whether affective commitment acts as a moderating variable between HRM practices and perception towards corruption and bribery.

From a practical point of view, this study will benefits the upper management and the HRM department can design their practices within a better viewpoint to improve affective commitment in limiting the corruption and bribery phenomena.

On the other hand, this study allows the researcher to put into practice the knowledge that had been acquired during this research duration. This study will also highlight their affective commitment of the employees regarding the perception towards corruption and bribery. This would be a good opportunity for the employees to express their true perception, regarding HRM practices and affective commitment that would be highlighted to the management of RMP in order to limit the corruption and bribery cases.

Furthermore, the human resource department of the RMP can understand and evaluate the HRM practices that can affect the employee's commitment. This allows the human resource to emphasise more on the factors with the most significant contributor. Hence, this study will provide ideas to human resource professionals to initiate organisational programs in order to increase commitment, create loyalty, enhance positive work culture and organisational performance.

#### **1.5 Definition of Terms**

- Corruption: The misuse of power to gain personal profit by an official. Shleifer and Vishny (1993) define corruption as "the sale by government officials of government property for personal gain." Therefore, this study's definitions emphasises on the public sector aspect of corruption.
- 2. *Bribery*: This study refers bribery as "the act of taking or receiving something with the intention of influencing the recipient in some way favorable to the party providing the bribe". In other words, monetary or non-monetary benefit given to a person with power, in an attempt to influence that person to take the desired action. Bribery is illegal and can be punishable by the law (Osipian, 2014).
- **3.** *Affective Commitment:* It is defined as the employee's attachment, identification, and involvement with their organisation and its goals (Mowday, Steers & Porter, 1979). This study supported this definition.
- 4. HRM Practices: This study uses Tan and Nasurdin (2011) definition on HRM practices. It is a system that attracts, develops, motivates, and retains employees to ensure the effective implementation and the survival of the organisation (Delery & Doty, 1996). HRM practices in this study refer to training and development, career development, salary and benefits and performance appraisal.
- **5.** *Training and Development*: Training and development are activities held by the organisation with an educational purpose to improve the performance of employees (Ford, 2014).

- 6. *Career Development:* It refers to the internal career opportunities referred to the extent to which a hank had an internal career ladder or internal career opportunities (Delery & Doty, 1996).
- 7. Salary and Benefits: Salary is a fixed compensation for services paid to a person on a regular basis (American Heritage Dictionary of the English Language, 2011). Benefits on the other hand include short-term benefits (e.g. wages, salary etc.), post-employment benefits (e.g. gratuity, pension etc.), long-term benefits (e.g. long-service leave etc.), and termination benefits (www.mca.gov.in/ministry/AS 15, 2014).
- Performance Appraisal: It is described as the actions utilised to measure, evaluate, enhance, boost and reward employees for their good performance (Mondy & Noe, 2005).

#### 1.6 Organisation of Study

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This study is divided into five chapters. As for the first chapter, the background of the study and the problem statement are explained. Research questions and the aim of the research were also provided with discussion on the significant of the current study and the explanation of the terms and definitions.

Chapter Two contains a literature review and a summary of prior research that are related to HRM practices, affective commitment and corruption and bribery. In addition, a discussion of the major theory in this study was also discussed. Chapter Three describes the research framework, hypotheses development, and methodology used in the current study. Research design, sample and data collection as well as operation definitional statistical and finally measurement of the independent, mediating and dependent variables were presented.

Chapter Four examines and provides the factor analysis, descriptive analysis of the variables. Correlation matrix, regression assumptions and hypotheses testing through different types of regression and additional analysis were also presented.

Finally, Chapter Five discusses on the study's findings that are extracted from the main results that were given in Chapter Four. Contributions of the study as well as the limitation of the current study and some suggestions and recommendations for future research are also provided. It ends with the conclusion of the study.

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#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### **2.0 Introduction**

This chapter discusses literatures related to the HRM practices, affective commitment, and perception towards corruption and bribery. Selected literatures were taken from previous studies, both from local and international context. The discussion starts with corruption and bribery in a more detail manner. HRM practices, its dimensions and their direct association with the affective commitment were also clarified. This chapter also address more details about the organisation commitment as a prelude to discuss the affective commitment as a mediating factor between the dimensions of HRM practices and perception towards corruption and bribery.

### **2.1 Corruption and Bribery**

There are numerous definitions of corruption, the most known definition is the World Bank's definition; "the abuse of public office for private gain" (World Development Report, 1997). Shleifer and Vishny (1993) define it as the sale by government officials of government property for personal gain. This study uses the definitions of corruption which emphasis on the public sector aspect. On the other hand, bribery can be defined as receiving or accepting a benefit with the aim to influence an individual to act a favourable way benefitting the person giving the bribe (Osipian, 2014). Bribery is illegal and can be punishable by the law by the authorities (Osipian, 2014).

Corruption and bribery in dealings between business firms, government officials and politicians are a complex problem which needs to be tackled from multiple angles. A lot

of the anti-corruption strategies proposed in policy forums and studied by researchers have two common features (Dixit, 2014). First, they are controlled by the government; either the general apparatus of police and courts, or special anti-corruption agencies. Second, they operate on what may be termed as the demand side, namely by detecting and punishing the officials who demand bribes, either for granting special treatment, or by extorting extra payments for taking certain actions to benefit the briber. Indeed, some researchers have suggested an asymmetric treatment in which punishment are given to the demand side, and suppliers of such bribes should not be punished or may even be rewarded for whistle-blowing (Dixit, 2014).

The government's formal anti-corruption effort faces a formidable obstacle because a majority of public workers and politicians can gain benefits from corruption and bribery. The financial gains are large; political gains from reducing corruption and bribery may not be large enough to offset these. Therefore, enforcement of anti-corruption measures by one branch of the government is obstructed by other branches or departments with parallel or independent powers. The incentives of the business community as a whole are better aligned to resist corruption and bribery. In some situations, business may collude with government officials to increase the cost of projects so both parties may gain at the expense of the taxpayers (Dixit, 2014); but on the whole the politicians' and officials' take is a direct hit to the bottom line of business. A corrupt system also entails indirect costs to business by acting as a tax, and an uncertain and inefficient tax, that reduce the incentives to invent and innovate (Ayyagari, Demirguc-Kunt and Maksimovic, 2014).

Of course, a firm that wins a government license or contract through bribery will benefit at the expense of other competing firms. This will result in other individual firms to be tempted to engage in bribery knowing that the business community as a whole stands to lose from this corrupt system. This is a prisoner's dilemma; individually rational choices lead to a collectively bad outcome. Like all dilemma, collective actions are needed in order to resolve it (Dixit, 2014).

Corruption is a major organisational issue affecting the HRM department. HRM plays a key role in assuring that private and public sectors operate within ethical boundaries (Caldwell et al., 2011). The widespread of corruption in Malaysian (Siddiquee, 2010) requires that understanding the impact of HRM in reducing the level of corruption and bribery within organisations is important. Such endeavour can help HRM departments to design an effective system to minimise the consequences of corruption and bribery (Parboteeah, Seriki & Hoegl, 2014). Furthermore, as Chidi, Ogunyomi and Badejo (2012) pointed out, the HRM department plays a role in ensuring that unethical HRM practices are ended in favour of more ethics policies and codes.

Therefore, this study seeks to exert more attention on the HRM practises to improve the level of affective commitment which will hopefully lead to eventually limit or reduce the corruption and bribery.

#### 2.2 Consequences of Corruption and Bribery

All organisation either they are benevolent or repressive have a risk of being corrupted as long as the organisation or the individual in the organisation have a position in which they can take control over the distribution of benefits and costs and holds a certain level of discretionary power (Rose-Ackerman, 1999). This implies that corruption is a phenomenon which consequences affect all levels of society. In addition, corruption and bribery significantly affects the wages allocation. Alonso-Terme, Davoodi and Gupta (2002) discovered that corruption and bribery notably increases the inequality of earnings distribution, while Li, Xu and Zou (2000) on the other hand observed that the earnings distribution is in a reversed U-shaped manner.

Corruption is perceived to effect the economic development and social welfare of the society in a negative manner. Scholars such as Huntington (1968) and Leff (1964) argue that corruption may improve efficiency and hence promote economic growth by allowing enterprisers to evade complex and inconvenient regulations by giving out bribes especially in developing countries. In contradiction, majority of previous literature insists that corruption lowers the economic growth. Scholars such as Bardhan (1997) insists that corruption reduces the incentive of private investment while Tanzi and Davoodi (1998) add that corruption distort's public investment decisions. Furthermore, studies by Murphy, Shleifer and Vishny (1991), reported that corruption induces talented people into rent-seeking activities. More empirical studies indeed support the fact that corruption impedes economic growth mainly through a series of investment, openness and political instability (for example, Mo, 2001, Mauro, 1998).

Corruption and bribery also decreases the level of foreign direct investment (FDI) (e.g. Wei, 2000). This is due to the high corruption and bribery levels in host countries may entail an increasing level of expropriation risk. Moreover, Fredriksson, Vollebergh and Dijkgraaf (2004) imply that corruption and bribery influenced the FDI through another

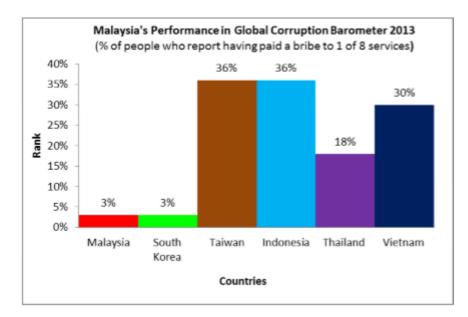
channel which is through environmental regulation. Besides that, corruption and bribery may distort public investment. According to Mauro (1998), corrupt politicians may increase the public expenditure to collect bribes easier, while decreasing expenditure provides fewer bribery opportunities. Furthermore, he observed that corruption and bribery significantly decreases the public expenditure on education.

The USA for example, has a legal system which seeks to prevent and prohibit bribery and corruption through a myriad of policies, regulations and laws. The anti-corruption jurisprudence are more developed in the context of public sector contracts where the USA criminalises the bribery of public officials through 18 U.S.C. Section 201 (Bribery of Public Officials and Witnesses). In addition, USA was the first country in criminalising the bribery of foreign diplomats with the passing of the Foreign Corrupt Practices Act (FCPA) in 1977. The FCPA has since been amended to comply with the adoption of the Organisation for Economic Co-operation and Development (OECD) Universiti Utara Malavsia Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the OECD Convention). The FCPA does not have any private rights, but FCPA has done investigations and convictions which have led to collateral civil actions, and it is predicted that as FCPA prosecutions increase in number, such collateral FCPA actions will also continue to increase. Currently no federal law prohibits the private sector bribery per se; however thirty-seven states across the USA have enacted the "commercial bribery" statutes that criminalises' corruption and bribery in the state level. Furthermore, at the federal level, a variety of criminal and civil statutes allows the private parties to address corruption and bribery (Ala'i, 2014).

China is one of the best examples on the corruption and bribery issues also. Since the economic reformation which took place in 1978, corruption has become more widespread and uncontrollable in China. The Chinese Government admits that corruption and bribery "is now worse than during any other period since New China was founded in 1949. Corruption has spread to the arty, the government administration and to the society, which includes politics, economy, ideology and culture" (Liang, 1994, p. 122). The widespread of corruption and bribery has caused a severe aftermath in China. Hu (2001) reported that in the late 1990s, China suffered an economic loss due to corruption and bribery which was estimated to be in between 13.2% and 16.8% of its growth domestic product (GDP). Although an abundance of articles have been published about corruption and bribery in China (e.g., Yao's, 2002 theoretical paper and Cai, Fang and Xu's, 2009 empirical paper), a systematic analysis on the consequences of corruption and bribery in China has yet to be published. Such inadequacy reduces the possibility in assessing the harmfulness of corruption and bribery in China and therefore to derive anticorruption strategies which are suitable for China (Dong, 2011).

#### 2.3 Corruption and Bribery in Malaysia

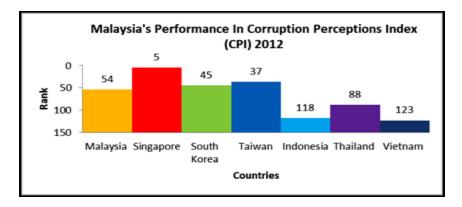
Although corruption is hardly a new phenomenon, lately it has become a matter of growing concern across the world.



Source: TheGlobalEconomy.com

Figure 2.1 Malaysia's Performance in Global Corruption Barometer 2013

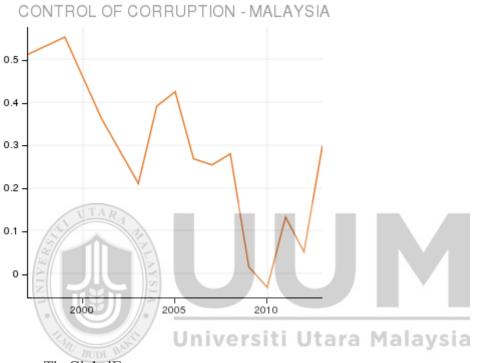
Figure 2.1 shows Malaysia's performance in the Global Corruption Barometer for the year 2013 in which Malaysia ties with South Korea in having the lowest rank of 3% compare to countries such as Taiwan, Indonesia, Thailand and Vietnam.



Source: TheGlobalEconomy.com



Malaysia's Performance in Corruption Perceptions Index (CPI) in 2012 is shown in Figure 2.2 where Malaysia was rank at number 54. Malaysia was rank higher than Singapore, South Korea and Taiwan but lower than Indonesia, Thailand and Vietnam.



Source: TheGlobalEconomy.com

Figure 2.3 Chart of Control of Corruption – Malaysia

Figure 2.3 shows the chart of control of corruption in Malaysia. From the chart, it can be seen that the lowest point of corruption control was in 2010 while the highest was in the late 1990s until the early 2000s.

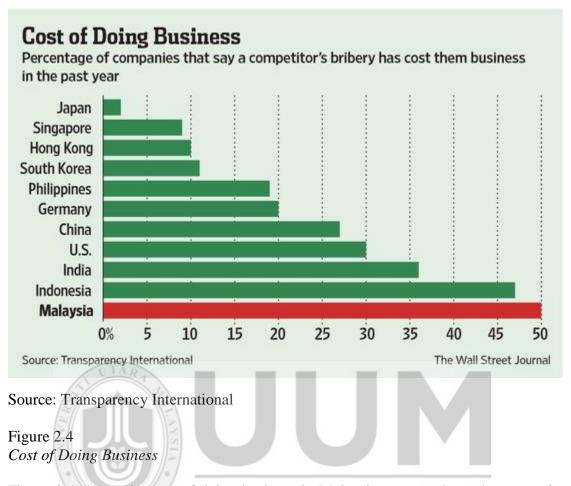


Figure 2.4 shows the cost of doing business in Malaysia compared to other countries in the past year.

Due to the changing of economic and political environment around the world and the growing consent in both academic and policy circles about the negative impacts of corruption and bribery on socio-economic development. There is a far greater appreciation now that corruption is not only morally wrong. Its effect also influences the nation's prosperity. The negative effect of corruption includes, it damages good governance, gives an inaccurate view on the public policy, hurts the economic growth and leads to the misallocation of resources (Bardhan, 1997; Rose-Ackerman, 1999). Governments and international agencies alike have dedicated much time and efforts to

search for an effective measure to control corruption which resulted in a variety of strategies and institutional innovations to combat corruption.

The establishment of a strong and centralised anti-corruption agency modelled similarly of those in Singapore and Hong Kong has been a popular choice in confronting corruption due to its clear commands and effectiveness. Other countries have been using a multiple agency framework approached which involves creating or strengthening anticorruption capacities among a number of governmental agencies (Meagher, 2005). However the results achieved are inconsistent; while some countries achieved a substantial amount of success in containing corruption, others failed to make any notable headway despite following the similar strategies. Attempts to draw lessons for policy transfers have proven to be difficult and time consuming (Klitgaard, 1988; Quah, 2003) following the differences in the countries background as well as other factors. Therefore, there is a lack of general agreement on which approaches work and the explanation on Universiti Utara Malavsia what determines the success or failure of these strategies. Nevertheless, a lot of government reformation has taken combating corruption and bribery and promoting integrity as its major priority. Malaysia is also no exemption. In appreciation of the significance of good governance in sustaining the economic growth and prosperity, the Malaysian government has renewed its commitment in fighting corruption and bribery (Siddiquee, 2010).

Malaysia's early efforts in combating corruption and bribery were carried out in two forms, investigating and preventing. The Special Crimes Unit of the Criminal Investigation Department of the RMP was assigned to investigate cases involving

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corruption and bribery. The managing of preventing corruption was assign to the Anti-Corruption Agency which was set in the Prime Minister's Department. The Attorney General's Chambers were in charge of matters related to prosecution (Chin, 2010).

The facts that three different agencies were handling the anti-corruption activities were very tedious. In 1967, the Malaysian government decided to combine the task of investigating, preventing and prosecuting under a single agency by setting-up the Anti-Corruption Agency (ACA) in-line with the Anti-Corruption Act 1967. The passing of the National Bureau of Investigations (NBI) Act 1973 prompted, the ACA to change its name to the NBI. This change allows the NBI to become a fully-fledged department under the Home Ministry and have greater jurisdiction in investigating corruption and bribery cases including those of national interest. Eventually the NBI was re-named back to ACA in accordance with the passing of the ACA Act 1982 in order to specialise the anti-corruption body in terms of its roles and functions. This change allows the ACA to act as a single and special entity in combating corruption and bribery in Malaysia (Beh, 2011).

In 2008, the Malaysian Anti-Corruption Commission (MACC) was formed replacing the ACA Act 1982 to the MACC Act. The MACC Act 2009 came in effect on the 1<sup>st</sup> of January 2009. The MACC was established to act as an independent, transparent and professional body that manages the nation's anti-corruption efforts effectively and efficiently (MACC, 2013).

The 'Check and Balance Mechanism' was created in an effort to persuade the public of the MACC's independency, transparency and professionalism. The 'Check and Balance Mechanism' was formed through a five panel independent body that monitors closely and constantly the MACC ensuring that it does not deflect from its original function. This mechanism consists of the Anti-Corruption Advisory Board (ACAB), the Special Committee on Corruption (SCC), the Complaints Committee (CC), the Operations Review Panel (ORP) and the Consultation and Corruption Prevention Panel (CCPP). Their function is to give advises as well as to make sure that the roles and functions of the MACC are executed efficiently, effectively, independently, with transparency and professionally. Members of these panels include senior ex-government officials, politicians (government and opposition), professionals from the business and corporate sector, academicians, lawyers and well respected individuals (Siddiquee, 2010).

Hence, due to the above discussions, this study investigates the relationship between HRM practices (with respect to training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery and the mediating variable is affective commitment.

# 2.4 Human Resource Management

HRM is defined as an unconventional approach of the management to achieve a competitive advantage with a highly committed and capable workforce through an integrated array of cultural, structural and personnel techniques (Storey, 1995). Prowse and Prowse (2010) viewed the HRM as a strategic management approach due to the fact that it regards people as the organisation's important asset including all the managerial personnel; it is proactive in relationship with people; seeks to enhance organisational performance, employee "needs" and societal well-being. On the other hand, Armstrong (2009) has defined HRM as a strategic and coherent approach to the management

in taking care of their most valuable assets, which is individuals who has collectively contribute to the organisation's achievement.

The scientific literature, has accepted that HRM is an ambiguous term with a controversial meaning (Storey, 1995). The absence of a precise formulation and agreement of the significant of the HRM contributes much to this controversy (Bratton & Gold, 2003). Several scientists argued that HRM has no purpose in managing the workforce but is a way to relabel the personnel management with a catch-all term (Hallier & Leopold, 1996).

The HRM concept originated in North America in the late 1910s to early 1920s. During this time, an abundance of names were used to describe processes in the employment area; employment management, labour management, personnel management (PM), personnel administration, labour relations, industrial relations, industrial relations management and employment relations (Savaneviciene & Stankeviciute, 2013). For a period of time, the word "personnel" and the term "human resources" were interchangeably, however, beginning in the early 1980s, the term 'human resource' became the main and PM gave way to HRM (Thornthwaite, 2012).

Although a substantial amount of research has been conducted over the past two decades in determining how affective commitment develops in an organisation, the potential impact of HRM practices does not received the amount of attention it deserves (Meyer & Allen, 1997). The results do provide some evidence suggesting that the organisation can influence affective commitment through their HRM practices. More

importantly, the findings suggest that these influences are determined by the understanding of employees about the practices.

An organisation that promises employment security needs to focus on the selective hiring of its new personnel. Employees should not be retained for a long period unless their values, attitudes, and behaviour fit with the organisation. Therefore, identifying these qualities in future employees should be made a key element during the hiring process (Wright & Haggerty, 2005). In New Zealand, the effect of HRM practices on employee's attitude such as commitment was examined by Edgar and Geare (2005). Their research identified that HRM practices plays a significant role on commitment. The impact of the HR practices on the affective commitment of employees was also studied in Chinese firms by Yu and Egri (2005). Their study concluded that HR practices impacts the affective commitment of employees significantly.

It can be concluded that HRM plays a major role in literatures and in practice (Meyer & Allen, 1997). This study seeks to examine the relationship between the HRM practices which consist of training and development, career development, salary and benefits and performance appraisal and the perception towards corruption and bribery. Individuals within an organisation are increasingly turning to such practices as a mean to address the work issues and to prepare for career advancement which leads to affective commitment (Goldstein, 1989). This gap raised the attention of the researcher to conduct a study. The following sections illustrate all these practices in detail.

#### **2.4.1 Training and Development**

Training and development (T&D) are the conventional actions taken by the organisation to help employees gain the necessary skills in performing current or future jobs requirement (Mondy & Noe, 2005). T&D are designed to carter to employee's needs in order for them to contribute positively towards their organisation through obtaining new knowledge, skills and abilities (Berge, Verneil, Berge, Davis & Smith, 2002; Ivancevich, 2001). T&D has been defined as the process in which individuals modify their skills, knowledge, attitudes, and/or behaviour while development is referred to the learning opportunities designed to help employees grow (Robbins & Delenzo, 1998). According to Dowling and Welch (2004), training is aimed to improve current work skills and ethics, whereas development is to increase their skills for future position or job.

Training is often related to the skills demanded by the organisation in order to achieve the organisation goals. From training, organisation is expected to have a positive impact on the employee's intention to stay and will increase their commitment. A statement by Rowden and Conine (2005) supported this claim, employees who believes that their training will bring benefits to them will feel more satisfied and are more willingly to stay with the organisation and shows more commitment than those who got an unvalued training. In HRM practices, training is the development of the attitude, knowledge and skills needed by an individual to execute a job sufficiently (Barton & Delbridge, 2001). Sparrow (1998) stated that the ability, understanding and awareness of the T&D are essential for organisation in preparing their employee to undertake higher grade tasks,

provide the conventional training of fresh recruits, raise efficiency of the performance, and to meet the legislative requirements.

Some HRD researchers recommended that training should be planned to yield an increased in organisational commitment (Lang, 1992). However, not many researchers are dedicated in investigating the relationship between organisational commitment and training. In a study of USA Navy recruits, their organisational commitment increases through their involvement in training (Tannenbaum, Mathieu, Salas & Cannon-Bowers, 1991). The same outcome was also reported in a study focussing on newly employed entry-level accountants (Saks, 1995). These two papers examined training as the new employee's participation in a program. Researchers could not confirm either a positive connection between training and organisational commitment are present in other different fields of work, or when T&D applies to other HRD programs, or in employees other than new hires (Tannenbaum, Mathieu, Salas & Cannon-Bowers, 1991; Saks, 1995).

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Regardless of whether increased commitment is an objective of training activities, organisational commitment is well known to influence the training process (Meyer & Allen, 1997). This paper exhibits on how the positive effect of training on organisational commitment can be maximised. Previous studies reveal that reduced turnover, decreased absenteeism, and increased extra-role performance are the direct result of an increase individual commitment towards the organisation. Therefore, the relationship between employees' perceptions regarding training and their level of individual commitment is a valuable tool in discovering the effect of training. In addition, analyses of police corruption in the previous studies (Quah, 2006; Thampi, Gopakumar Krishnan, 2002;

Royal Malaysia Police, 2005) indicated that it was the result of at least seven factors, with the lack of training and development programmes was one of these reasons (Quah 1978, 2001).

Most HRM literature urges the line managers to take a bigger role in T&D. The reality is that entrusting line managers with this responsibility will only result in more problems as they are not experts in human development. Line managers usually prioritise their own workloads than develop employees. They also lack the confidence and support needed to take on responsibility for HRD. The line manager has an obligation to identify the training needed to achieve strategic goals, to operate new technology and to redesign the current work process. Without a systematic training analysis, HRD will have a tough time in making a meaningful strategic contribution to enhance effectiveness (Horwitz, 1999).

The above discussion confirms the idea that line managers are responsible in developing their people, however current HRD literature and practice fails to address this issue. The lack of enthusiasm from the line management is supported by findings that the least preferred training delivery mechanisms by the line management includes coaching and mentoring. This might be caused by the amount of period and resources needed. However, these methods have been praised constantly for their critical contribution to the Strategic Human Resource Development (SHRD) (Heraty & Morley, 1997).

Some organisations have reversed the process of decentralising HRM. Horwitz (1999), from the Horwitz and Associate for example, has training specialists in every business units. They founded a centre of training expertise, which was led by 12 HRD specialists who pledge their services to their respective business units. The centre of expertise

combines individuals and teams who have a proficiency and expertise in various HR areas together (Ulrich, 1997). The Old Mutual, which is a large South African insurance company, also establish its own centre of expertise. The Old Mutual centre of expertise, deals on a basis of a consultancy and profit centre, and deals with both internal and outside clients. Kesler and Law (1997) offer an instructive paradigm for a focused HR organisation, distinguishing between an expert resource pool, HR consultants as front-line partners with line managers, and a central service centre.

The increasing rate of global competitiveness and the advancement of the development of technologies require the employee's to create new ideas and knowledge which leads to continuous innovations and inventions. The traditional and orthodox approaches by the HRD are insufficient in meeting with the changes needed by these contemporary organisations. The HRD needs to change its strategies from providing a narrow technical skills base to a higher expanding range of skills. An organisation that learns faster than its competitors, are view as far superior. This has led to an increasing interest in continuous development and the notion of a "learning organisation" (Heraty & Morley, 1997). Learning happens at all levels either by an individual, work group or an organisation.

As a result, employees, managers, and even organisations are turning to training as a desperate measure to address work related issues (Goldstein, 1989). For example, training is used to prepare for future career advancement, to increase current job skills and to adapt for a new or changing job requirements. Training has also become a regular point of entry into any organisation (Goldstein, 1980a). Training programs have become the main process for new employees to socialise (Feldman, 1989). However, little is known

about the impact of these programs on the individuals who enter work through those training programs (Goldstein, 1980b).

Training and development expenditures should be considered as an investment toward human capital as the effect will continue to impact the organisation in a longer time period. Extra efforts need to be taken by the organisations to reduce status differentiation; this in return will keep their employees loyal to them. Employees and their organisations should have a mutual trust among one another. For example, organisation sharing information about strategies, goals, and performance with employees indicates that there is a trust each other. Many organisations use the sharing of information as a part of their training and development strategy as it empowers the employees and fosters transparency among the employees (Sohel & Schroeder, 2003).

Training and development is defines in this study as the ongoing educational activities within an organisation in enhancing the employees performance (Ford, 2014). In this study, T&D dimensions are measured using scales adopted from Delery and Doty's (1996), which uses 11 items. This items are (1) Extensive training programs are to be provided for the RMP staffs, (2) RMP has an explicit policy requiring all Royal the staff member to spend a specified minimum period annually in training programs, (3) Formal training programs are needed to teach new recruits the skills to be use to perform their jobs, (4) RMP can conduct a systematic analysis to determine the need for training programs, (5) RMP can conduct a systematic analysis to assess the effectiveness of its training programs, (6) Training and development policy in RMP is fair, (7) Formal training programs are offered to RMP staffs to improve their positions in this

organisation, (8) My superior decides on the training and development I need, (9) I am given the opportunity to upgrade my knowledge and skills to improve my performance through continuance training, (10) I received the training I need in order to perform my assignment well and (11) I have the opportunity to be involved in the activity which can help raise the level of my expertise/skills. This measurement is further discussed in Chapter 3 in a more detail manner.

#### 2.4.2 Career Development

Career development defines by Zheng and Kleiner (2001) as the approach taken by an organisation to certify that individuals who meet the proper criteria and knowledge are available when required. It also refers to a system of training, development programs, incentives, promotion and salary in an organisation (Zheng & Kleiner, 2001). Under favourable conditions, human resource managers should promote the managerial learning skills so as to decrease their staff turnover for career development (Chen & Wakabayashi, 1997; Chen, Wakabayashi & Takeuchi, 2004). The organisations and the employees play a major role in career development. Employees are accountable for planning their own careers while organisations are expected to support those plans (Firkola, 1996). Career development is therefore essentially mutually beneficial effort between organisations and their employees.

On the other hand, career has a lot of meaning and definition. The most well-known definition is the idea of moving upward in one's chosen line of work – making more money; having more responsibility; and acquiring higher or more status, prestige and power (Ivancevich & Lee, 2002). Greenhaus (1971) stated that "a career is the pattern of

work-related experiences (e.g., job position, job duties, decisions and subjective interpretations about work-related events) and activities over the span of the person's work life".

Career commitment is more noticeable compare to other commitment measures (Blau, 1989). Career commitment is known to slow down career development (Morrow, 1993), however it has become an important element in providing a significant source of occupational meaning and continuity when organisations is unable to give employment security (Aryee, Chay & Chew, 1994).

Career commitment will generally affect an individual's behaviour, as those who are more committed to their careers tend to spend more time developing their skills, and are unlikely to withdraw from their career (Aryee & Tan, 1992; Blau, 1989). However, these highly committed employees will consider resigning given their low chances for career growth within the organisation (Bedian, Ferris & Kacmar, 1992). In addition, the present study matters, career development are utilised to influence the level of employee's affective commitment of employees. The employee's psychological attachment to the organisation will increases upon perceiving the organisation's employment practices, to the organisation increases (Gaertner & Nollen, 1989).

Reality wise career-related practices include a wide range of method, which varies significantly to certain companies, making it difficult to directly determine and compare practices on the employee's psychological aspects and perceptions of practices. Gaertner and Nollen (1989) supports employee's perception of career-related practices do influences their psychological attachment to the current company.

A study by Pare and Tremblay (2000) found that six particular HR practices (recognition, empowerment, distributive and procedural justice, competence development, work life policies and information sharing) have significant and direct effects on affective commitment. Results show that a company which invests through diverse means in its human capital and assists their employees in their career will set up systems that permit managers and project team leaders to recognise the contributor to the organisation and encourages greater participation in decision making. Nurses, however, have different career needs depending on their career stages. The difference between their career needs and development programs provided by the organisation can affect their turnover intention (Pare & Tremblay, 2000). Thus, hospital's HRD must provide sufficient to cater their career its employee needs to increase their affective commitment.

Studies have discovered a notable contingency between employees and perceptions on their career development (Baruch & Peiperl, 2000; Nijhof, Jong & Beukhof, 1998). Leading organisations implement career planning programs with the intention of optimising the suitability between the individuals and business needs (Benson, 2003). Gilley and England (1989) suggest including both career training and performance appraisal, to encourage affective commitment of the organisation.

Arye and Tan (1992) confirmed among the main precursors to career commitment are opportunities in developing new skills related to employee commitment. In addition, Arnold and Davey (1999) claimed career development as the strongest denominator of organisational commitment while Fenton, Winfrow, Lydka, and Morris (1997) portray career opportunities as a crucial predictor of organisation commitment within an organisation.

Reviews indicates career development are less significant compared to other precursors of employee commitment, despite that, Fenton et al. (1997) states that the most important forerunners of commitment is career development perception within an organisation. Another study by Kuvasz and Dysvik (2010), found similarity of outcomes on perceptions affects to the outcomes of employee's attitudes in terms of affective commitment and turnover intention.

Generally, every career bares an importance towards an individual life and identity (Inkson, 2007). Career identity would gradually develop through personal experiences or to some individuals are already present from childhood or adolescence. Nowadays, to the western communities, a career path or purposes are no longer predestined before birth, or by families or clans but individuals are free to consider their own career dreams. Nevertheless, to succeed their career dreams will generally succeed by handling external pressures, ignoring opposition, dealing with opportunities, and surpassing competitors. Only through these routes, career development progresses for the better (Hoekstra, 2011).

Habitually, every employee career aims a direct path up the organisational stairs (Fink, 1992). On the contrary, career development is not about "getting ahead" these stairs, but being the best and finding a place to excel and contribute to the organisation objectives. Therefore, a career development must encompass both "vertical" issues such as promotions and upward mobility, and "horizontal" movement (lateral job transfers) within the organisation. Career development deals with the fundamental nature of the

relationship of individuals to their work and employees to their organisations. A clearly defined plan of action prepares employees for the future and preserves an organisation's ability to meet both existing and future needs.

Zheng and Kleiner (2001) agree career development provides a platform to human resource development programs. As employees of an organisation progresses, the work they do changes as well. Through guiding employees especially regarding decisions making, they can be more effective and well prepared and when given new positions. When employers understand their employees in work decisions making, they should be able to plan their human resource needs (Guest, 1997; Paul & Anantharaman, 2004; Zheng & Kleiner, 2001).

## 2.4.3 Salary and Benefits

Salary is a fixed compensation for services paid to a person on a regular basis (American Heritage Dictionary of the English Language, 2011). Benefits on the other hand include short-term benefits (e.g. wages, salary etc.), post-employment benefits (e.g. gratuity, pension etc.), long-term benefits (e.g. long-service leave etc.), and termination benefits (www.mca.gov.in/ministry/AS 15, 2014). These financial and non-financial rewards are given depending on the job value, level of personal contributions, efforts and performance as stated by Milkovich and Newman (2005). In a review by Baber, Kang and Kumar (1998), cash compensation is well-defined as cash salary including cash bonuses, while total compensation is the sum of cash plus stock-based compensation. Employee's compensation is a requirement of paying and rewarding them for their work contributions by means of payroll, incentives and benefits (Mathis & Jackson, 2004).

Dessler (2008) refers compensation to any kind of payment or rewards arising from the job. Furthermore, compensation plays a vital role as it is the main reasons for people choose to work (Shahzad, Sajid & Ramay, 2008). This is due to the fact that compensation generally determines an employee's satisfaction, productivity work loyalty and living status within the society (Aswathappa, 2008). Ting (1997) mentioned the government of USA establishes compensation among the most important factor of work satisfaction on every employee. Gerhart and Milkovich (1990) indicate a secure job performance as result of both contingent pay and base pay to the employees.

The overall reward system includes both salary and benefits via formally and informally means to the employees. This system motivates and increases the employees driving force and at the same time gains and encourages human talent in the working environment. Local market competitiveness is determined through compensation management on a market scale which includes compensation management strategies, and the competitor's standard considering performance-based pay.

Wang, Chen, Hyde and Hsieh (2010) study on selected multinational companies of Shanghai's semiconductor industry, indicates employees pay satisfaction generates better work commitment. This is due to an increase in individualism and materialism among the younger generations of Chinese workers. The younger generation becomes passionate towards personal growth and work recognition depending on the financial rewards conversely; they are more likely to be discontent if receiving unfitting rewards given their work contributions. Thereby, assumed the financial pay satisfaction was satisfied, the employees will prolong their stay as well as prevents the intention to leave.

Similarly, Chew and Chan (2008) support that compensation and recognition predicts better commitment and intention to stay. In addition, among the vital elements of talent management programs are increasing commitment the employee. Hence, it is crucial for companies to carefully manage the budget for rewards and provide a different reward to the employees with high achievement as these high achievers will tend to leave and changes the company and nowadays finding a suitable replacement within a short time period is hard enough.

Vandenberghe and Trembley (2008) agree on compensation satisfaction is fundamental in retention policies as it is a strength hold that bond within the organisation. In addition, Ghazali, Nasyuki, Yi and Ishak (2011) reported that compensation defines an employee need to remain to a certain companies. This method enables human resource practices to influence the employees' intention to stay and work hard. Hence, it is possible to achieve more employee satisfactions, the higher intention to stay and be more committed to the companies through compensation satisfaction.

## 2.4.4 Performance Appraisal

Performance appraisal is but one component of performance management and it refers to the procedure to determine, calculate, evaluate, enhances, motivates and reward employees for their job performance (Mondy & Noe, 2005). Precisely, performance appraisal is a form of system often used by organisations to reviews and evaluates employees' performance level (Abdul Aziz, 2001). On simpler terms, it is the process of determining employee's progress performance on tasks given comparing to a set of organisation's standard or prospects. Not only is performance appraisal used as a tool to measures job performance, but as a method to motivates employees (Anthony, Kacmar & Perrewe, 2002).

Besides, performance appraisal processes have been known to connect both employee behaviour and an organisation's strategic objectives. Unfortunately, this performance reviews occasionally fail to modify work performance, and dissatisfaction arises generally from the appraisal process generates job dissatisfaction, decreasing organisational commitment, and increasing employee's resignation. Recent research defines performance appraisal significance in evaluating affective commitment (Dusterhoff, Cunningham & Mac Gregor, 2014). The reason behind these appraisal processes is to increase human resources utilisation within an organisation. Performance appraisal outcomes generally used by HRM for planning, recruitment, compensation, promotion, training and development, and layoff and improving the level of affective commitment. Schulan and Jackson (1987) discriminates appraisal process in relations to Universiti Utara Malavsia employee's behaviour or results. The behaviour term insist on employee's conduct in work environment furthermore, results from this approach are insignificant and appraisal should be based on job outcomes instead. These outcomes should then be evaluated annually and included to the employee permanent record as a guide for HRM.

Bacal (2004) mentions performance appraisals as an instrument enabling employers to evaluates, connects, reviews the company's growth and expectations towards achieving strategic objectives planned. In other terms, this instrument is a way for employees to improve, overcome barriers and contributes more in attaining the organisation's goals. In a positive light, the performance reviews attained through performance appraisal can aid organisational to deliver opinions, motivates as well as develop the employee's skills in enhancing work performance in accordance to organisational objectives (Lawler, 1994).

Regrettably, most researcher and managers doubted the worth of the performance appraisals due to the difficulty to conduct them. According to Lawler (1994), conflicts arise between supervisors and employees due to this process are long lasting. This result from most employee's dissatisfaction and rejections on performance reviews processes and feedbacks received (Elicker, Levy & Hall, 2006). Regularly, the reviews attained fail to increase positive changes, motivate and assist in personal development to certain work environment (Keeping & Levy, 2000). Based on a survey done by Posthuma and Campion (2008) regarding the effectiveness of performance appraisal system on approximately 50,000 organisational respondents, through an international consulting firm shown only 13% of employees and managers, and 6% of CEOs supports the system.

In contrast, few researchers and practitioners compromises on a successful performance appraisal process vitally encourage and motivate employee commitment (Fletcher, 2001; Kuvaas, 2006). The performance appraisal process is progressively used as strategic approach for management to boost affective commitment by assisting on the relationship between employee's competencies, behaviours and an organisation's target plan.

Cheng (2014) examined the associations among administrative performance appraisal practices and employee's perception on organisation's justice and commitment. According to the results obtained from 395 employees working in Taiwan's manufacturing companies indicates administrative performance appraisal activities implemented is greatly associated with employee's perception regarding organisational

justice which also is highly associated with the level of organisational commitment. The result demonstrates the organisational justice perceived has a fractional mediating outcome on the association between administrative performance appraisal practices and organisational commitment.

Generally, the structure of the Malaysian government consists of three levels; the federal government as the acting central government, state governments and local governments. The Malaysian public services employed in these numerous government agencies and levels each forms the country's biggest working population thus, provide great support to country's economic growth. Therefore, by emphasising on the efficiency and effectiveness on the civil services influences the nation's competitiveness in the global economy. In addition, the civil servants' performance affectivity requires an affective public official's work commitment. This fact has determined organisations ability in realising all the strategic plans and objectives given if the workers are highly committed (Riketta, 2002).

Recently, researches on the relationship between organisation's justice and commitment have widened. Several studies supported claims on performance appraisal fairness are significantly related to employees' commitment and satisfaction with the organisation (Abdull Sukor, Mohd Khan, Tang & Lim, 2008; Colquitt, Conlon, Wesson, Porter & Ng, 2001; Morrow, 2011). According to Meyer and Allen (1997), perceptions on fairness demonstrate the organisation is committed towards its employees. Assumed the people attains fair decision, their commitment and satisfaction level then increases and they are also involve in 'extra-role behaviour' (Colquitt, Conlon et al., 2001). Nevertheless, Cook

and Crossman (2004) doubts performance appraisal ability is perceived as unjust by those involved in the evaluation process. Subsequently, employees' perception on justice decides their performance outcomes; consequently, the organisation's management must be able to change the employees' perception on the performance evaluation (Tang & Sarsfield-Baldwin, 1996). In addition, Salleh, Amin, Muda and Halim (2014) report a denoting correlation between the performance appraisals with the organisational commitment amongst public servants in Malaysia.

#### **2.5 Organisation Commitment**

The overall concept of organisational commitment is becoming conspicuous in the researches relating to individuals and organisations. Most research disagrees to an organisations becoming more important to individuals, as individuals varies in level of commitment to organisations (Fischer & Mansell, 2009; Meyer, Stanley, Herscovitch, & Topolnytsky, 2002). The variations articulated by individuals attributes to personal characteristics, individual job investments, experiences (e.g., leadership, justice, and fairness), organisational investments, socialisation, and the accessibility of replacement sources of employment (Fischer & Mansell, 2009; Meyer et al., 2002; Solinger, van Olffen, & Roe, 2008). Researchers suggest organisational commitment can strengthen the bonds between occupational commitment, job satisfaction, and job involvement (Fischer & Mansell, 2009; Meyer et al., 2008). In addition to avoid resignations, committed individuals have lower absents rates, more involve in organisational citizenship behaviours, improved work performance, and expresses better health and well-being within an organisation (Meyer et al., 2002; Solinger et al., 2008).

Normally, organisation commitment was identified as a principal concept in understanding the link between both employee and employer (Allen & Meyer, 1996; Mathieu & Zajac, 1990). Commitment researches are indeed vague especially in terms of management and leadership. Scholl (1981) suggested an inclusive commitment definition in which the commitment process incorporates non-existing conflicting points of view. Allen and Meyer (1996) describe commitment to the organisation values and goals identification, such as high sense of loyalty and a deep work involvement in the work.

Also, the psychological bond between an individual with an organisation are also define as commitment. Dale and Fox (2008) stated that the organisation productivity increases as results from highly committed and trained employees thus becoming an organisation greatest asset. In accordance to a study by Dale and Fox (2008), commitment is an individual's identification strong point in organisation involvement. Employers required assisting employees to value their involvement to the organisation in order to achieve greater organisational commitment. When employee's values more as a member of the organisation, they are more likely to remains with the organisation (Boon & Arumugam, 2006).

Meanwhile, Celep (2000) acknowledged commitment as other than organisation's formal and normative expectations but an individual's behaviours towards the organisation goals. Generally, commitment signifies attachment, emotionally and functions to work (Elizur & Kozlowski, 2001) and organisation values and target (Dale & Fox, 2008). However, the common meaning of commitment derived by researchers from the eighties and early nineties by Mowday, Porter and Steers (1982). This study adopts Elizur and Kozlowski (2000) description in which commitment is perceived as an individual's relative strength of identification on their participation within an organisation.

Highly committed employees are more loyal and involved to their work. Similarly, Yuksel (2000) considers an organisational commitment should include employer's reliability in striving for the organisation's success. Mathieu and Zajac (1990) also agree organisational commitment refers to behaviours involving the employee's participation and intention to remain within the organisation.

## **2.5.1 Affective Commitment**

Affective commitment is an affective key of organisation's commitment define as an employee's level of organisational identification as well as feelings of attachment to and high degree of participation within the organisation (Mayer & Allen, 1990). In addition to affective commitment, organisational commitment comprises two forms of commitment namely continuance and normative commitment. Importantly, among the form of organisational commitment, affective commitment is the strongest predictor of vital outcomes to an organisations including turnover intentions, absenteeism, work performance, and working environment behaviour (Meyer et al., 2002). Furthermore, affective commitment is the only form that relates employee's positivity influences and improves the general well-being compared, to negative influence leads to both stress and work-family conflict (Meyer et al., 2002). Typically, both the organisations and employees profited from organisational initiatives enabling positive influence on the levels of affective commitment.

Jaramilo, Mulki and Maseshall (2005) states affective commitment in form of psychological attachment outcomes to an organisation are highly debate. Probably, because affective commitment is relates more to desirable outcomes than vice versa. On the contrary, other research studies on organisational commitment have maintained a focal point in the area of affective commitment (Mohamed, Taylor & Hassan, 2006). Affective commitment is also widely known as attitudinal commitment (Mowday et al., 1979; Riketta, 2002). Meyer and Allen (1991, p. 62) quote "attitudinal commitment focuses as the process by which people come to think about their relationship with the organisation. In ways, it has a mind set in which individuals consider the extent to which their own values and goals are congruent with those of the organisation".

Several definitions have been cited in defining affective commitment, which is primarily associated with the research of Porter et al. (1974) and Mowday et al. (1979). According to Porter et al. (1974), affective commitment comprises the following: (1) a strong belief and acceptance of the goals and values; (2) a willingness to exert substantial effort on behalf of the organisation; and (3) a desire to maintain membership. A definition from Salancik and Pfeffer (1977) terms affective commitment as a psychological bond, or personal attachment to the organisation. Furthermore, Mowday et al. (1979) link affective commitment to attitudinal commitment, which relates to a person's identification and involvement with the organisation. However, despite various definitions suggested, researchers agree affective commitment is the most likely predictor to employee's job retention (Allen, Shore & Griffeth, 2003; Meyer & Smith, 2000; Rhoades, Eisenberg, & Armeli, 2002).

Observed data, obtained through social theory, proven just how employees supported and looked after by their organisation displayed more affective commitment (Allen et al., 2003; Eisenberger, Fasolo & Davis-LaMastro, 1990). Employees treated with dignity and respect feels the organisation acknowledges their talent and concerned for their wellbeing (Mohamed et al., 2006). In cases involving non-profit employees, the intrinsic rewards that are emotionally planted towards the organisation binds them to the organisation, resulting a higher tendency to remain to an organisation.

A survey conducted by Mohamed et al. (2006) on 1,450 correction officers in a Mid-South region of the USA shows a positive statistical correlation to affective commitment based on the theory of elevated employee affective commitment as result of caring and supportive working environment. In order to determines the degree of affective commitment among corrections officers, Mohamed et al. (2006) uses statements like "I have a strong sense of loyalty to the Department of Corrections", and "I made a good decision when I came to work for the Department of Corrections" (p. 519). Mohamed et al. (2006) concluded that their study showed consistency with previous research conducted by Eisenberger et al. (1990) where intangibles, identified as motivating factors, played a major in role in how the employees felt about the organisation and their commitment level to it. When organisations offer the support system needed by employees, they demonstrate a positive level of commitment to remain with the organisation and support its goals.

Meyer and Herscovitch (2001) conclude affective commitment relates with a extensive outcomes like turnover, absenteeism, job performance and citizenship behaviour. On the

other hand, studies on affective commitment are important and benefits specially to organisation leaders as organisational commitment affects most organisational outcomes, including turnover intentions (Benjamin, 2012), and company sales and profitability (Darwish & Yousef, 2000). The current study seeks to highlight on the HRM practises to improve the affective commitment in attempting to limit the level of corruption and bribery in Malaysia.

### 2.6 Underpinning Theory

Employees with a high affective commitment are more loyal and intended to remains with the organisation for a long time. Affective commitment is considered to be a major force in decision to remain within organisation. Organisation must have proper tools to motivate employees to be committed and stay in the organisation. The Hawthorne Studies indicated that committed employees are more productive (Roethlisberger & Dickson 1939). Therefore, it was considered the top managers' responsibility to see that the employees were happy, and productivity was assumed to be a natural consequence. Therefore, this study applied the Motivation Theory.

#### **2.6.1 Herzberg's Two-Factor Theory**

Herzberg's Two-Factor Theory or also known as Herzberg's motivation-hygiene theory and dual – factor theory is part of organisational behaviour theories (Herzberg, Mausner & Snyderman, 1959). An individual motivation in the work environment is complex subject; influenced by a large number of variables. The most important and complex variable in motivation equation is the individual human being themselves. The individual human nature is characterised by a variety of unique personal factors including level of skill and training, on and off the job experience, traditions, culture, aspirations and personal goals, and physical and mental health. The work environment likewise comprises of many complex variables. Work supervisor personality and style, company's culture, and the nature of the work are all variables of the work environment that affects the individual motivation. Important external factors to an individual-work place relationship would include the economic and social environment, technology, and the pace of environmental change. The overall connection of these variables determines how an individual's behaviour affected or altered by introducing or manipulating of the motivation factors.

## 2.7 Chapter Summary

This chapter focuses on a review of previous literature which is relevant to the study. Previous studies have shed the light on the causes and the consequences of corruption and bribery, with solutions focusing on the factors that can limit this phenomenon. This study seeks to employ HRM practices and its role in strengthening the affective commitment, and at the same time, to examine the role of affective commitment as a mediating factor in the relationship between HRM and corruption.

#### **CHAPTER THREE**

## **RESEARCH METHODOLOGY**

## **3.0 Introduction**

The previous chapter elaborated on the relevant literatures pertaining to the issue of perception towards corruption and bribery and its relationship between the HRM practices and affective commitment as the mediating variable. Before the methodological issues are elaborated, this chapter presents the theoretical framework that becomes the basis of the present study and hypotheses development. Cavana, Delahaye, and Sekaran (2001) maintain that theoretical framework is the foundation on which this entire research project is based on. To achieve the research objectives, this study uses questionnaires to explore the perceptions and views of the RMP staff in Penang regarding their perception towards corruption and bribery and its relationship with HRM practices and affective commitment.

# Universiti Utara Malaysia

## **3.1 Research Framework**

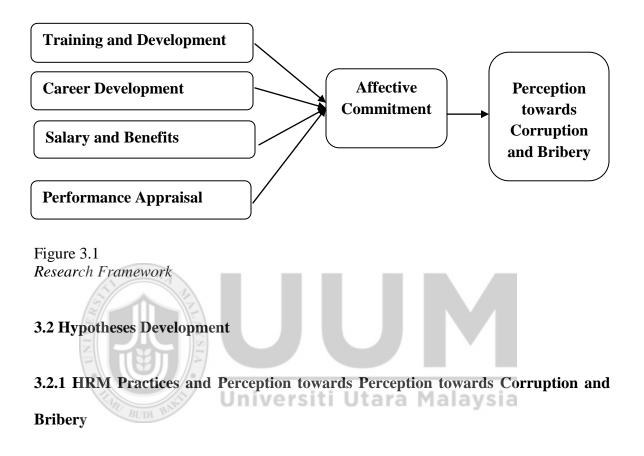
Motivation theory is a subset of the organisational behaviour theories (Maslow, 1943). Motivation of individuals in the work environment is a very complex subject which is affected by a large number of variables. The most important and complex variable in the motivation equation is the individual. An individual can be characterise by a wide variety of unique personal factors that includes training and skill level, job experience, traditions and culture, aspirations and personal goals, and physical and mental health. The work environment likewise comprises of many complex variables. The supervisor's personality and style, the company's culture, and the work nature are all variables in the work environment that affects the motivation of the individual. Important external factor that influences an individual includes the economic and social environment, technology, and the change of pace in an environment.

The findings of the previous studies provide an insight in examining the relationship between HRM practices and affective commitment (Eisenberger, Fasolo & Davis-La Mastro, 1996; Shore & Wayne. 1993). In addition, this study expands the previous findings by illustrating whether affective commitment mediates the relationship between HRM practices and the perception towards corruption and bribery of the employees in RMP. The current study follows the previous studies' recommendations which stated that HRM practices have a stronger influence on the organisational climate through enhancing the affective commitment of the employees and leads to a decrease in corruption and bribery. (Eisenberger et al., 1996; Shore & Wayne, 1993).

HRM is perceived as the major contributing factor that influences organisational commitment. In this research framework, HRM practices involved four major dimensions which are training and development, career development, salary and benefits and performance appraisal.

Based on the discussion from previous chapters, affective commitment is only measured in this study because affective commitment is the strongest predictor of outcomes of interest to organisations (Meyer et al., 2002). Therefore, based on the review of the previous studies concerning the HRM practices, training and development, career development, salary and benefits and performance appraisal, the research framework for the current study is presented as in Figure 3.1.

## **HRM Practices**



The following sections illustrate the direct relationship between HRM practices and perception towards corruption and bribery.

## 3.2.1.1 Training and Development and Perception towards Corruption and Bribery

Training and development (T&D) are described as the formal activities undertaken by the organisations to assist employees in the acquisition of skills and experience required for the performance of present or future tasks (Mondy & Noe, 2005). Training and development activities are created to help employees to contribute to the organisation by

showing good performance and acquiring new knowledge, skills and abilities (Berge et al. 2002; Invancevich, 2001). Training and development has also been described as the process that modifies employee skills, knowledge, attitude and/or behaviour while development is considered as a learning opportunity created to assist employees in climbing the career ladder and is not confined to learning skills (Robbins & Delenzo, 1998). It entails the development of knowledge and attitudes that are valuable for employees in higher positions. Similarly, Dowling and Welch (2004) showed that training enhances the work skills and behaviour of workers while development increases their abilities in preparing for their future positions on the job.

Previous literature discovers that when the affective commitment levels to its organisation increases, it yields positive results such as mitigated turnover, lowered absenteeism, and higher extra-role performance. Thus, the relationship between the employees concerning training provided by the employer and perception towards corruption and bribery with affective commitment level as the mediating variable is significant in studying the training outcomes.

Prior studies addresses that police corruption analyses (e.g. Quah, 2006; Royal Malaysia Police, 2005; Thampi, Gopakumar, Krishnan, 2002) that corruption was the outcome of seven contributing factors and the lack of training and development are one of them (Quah, 1978, 2001).

Expenditures for training and development should be considered as an investment towards human capital as opposed to a business and operational cost. It is important for organisations to spend more effort in reducing status distinctions in maintaining employee's loyalty. Sharing and spreading information concerning strategy, goals and performance, among employees indicates trust between them and the organisation. Sharing such information motivates them and will in return facilitate transparency which is a crucial element if the employees are to work longer in the organisation. Such sharing is considered in majority of organisations as a training and development strategy (Sohel & Schroeder, 2003).

Based on the above discussion, this study suggests the following hypothesis:

- H1: There is a positive relationship between training and development and perception towards corruption and bribery of employees in RMP.
- 3.2.1.2 Career Development and Perception towards Perception towards Corruption and Bribery

Career development refers to a conventional method employed by the organisation in guaranteeing that the workforce has proper qualifications and experience required (Zheng & Kleiner, 2001). It is also considered as the training systems, development programs, promotion, incentives and salary provided by the organisation. Human resource management should provide career development in order to mitigate the turnover of employees (Chen & Wakabayashi, 1997; Chen, Wakabayashi & Takeuchi, 2004).

Majority of studies reported that a significant relationship exist between career development and corruption and bribery (Baruch & Peiperl, 2000; Nijhof et al., 1998). Major organisations frequently employ career planning initiatives in order to optimise the alignment between individuals and business requirements (Benson, 2003). This includes

activities such as career training and performance appraisal which has a clear objective of making their employee feels obligate to the organisation (Gilley & England, 1989).

Based on the above discussion, this study suggests the following hypothesis:

H2: There is a positive relationship between career development and perception towards corruption and bribery of employees in RMP.

### 3.2.1.3 Salary and Benefits and Perception towards Corruption and Bribery

Salary and benefits refer to compensation and cumulative financial and non-financial rewards that are paid to employees for services provided (Mondy & Noe, 2005). Both rewards are given according to the job value, the degree of personal contributions, efforts and performance (Milkovich & Newman, 2005). Baber, Kang and Kumar (1998) explained that cash compensation refers to the cash salary coupled with cash bonus, whereas total compensation refers to the overall sum of cash along with stock-based compensation. Employee compensation as described by Teward and Brown (2009) as the process of paying and rewarding workers for their contribution The above contention was further supported by Chew and Chan (2008) who stated that employees who are given proper salary and benefits have a higher commitment and might not intend to corruption and bribery from the point of view of the employer. Employers will be more amenable in using salary and benefits as an essential element for other talent management programs. As such, it is important for companies to make use of their salary and benefits budget in an effective way in ensuring that their top performers will not easily turn to corruption and bribery.

Other author (e.g. Vandenberghe & Trembley, 2008) also supported the above contention in which they stated that salary and benefits satisfaction is a core factor in policies of employee attention to corruption and bribery as it supports the relationship of the employee with the organisation. Ghazali, Nasyuki, Yi and Ishak (2011) also contended that salary and benefits is significantly related with the employees' intention in corruption and bribery. In conclusion the more satisfied employees are with their salary and benefits, the lesser the intention in corruption and bribery.

Based on the above discussion, this study suggests the following hypothesis:

- H3: There is a positive relationship between salary and benefits and perception towards corruption and bribery of employees in RMP.
- 3.2.1.4 Performance Appraisal and Perception towards Corruption and Bribery

Performance appraisal is described as the actions utilised to measure, evaluate, enhance, boost and reward employees for their good performance (Mondy & Noe, 2005). Performance appraisal is basically a system practiced by the organisation in reviewing and evaluating the performance of their employees in a periodic manner (Abdul Aziz, 2001). Performance appraisal is also referred as the evaluation of the way employees perform their work in relation to a set of standards of organisations. It is an invaluable tool for evaluating of job performance but is also used to utilise the development and motivation of employees (Anthony, Kacmar & Perrewe, 2002).

In this regard, well-known researchers and managers have queried over whether performance appraisals are effective owing to the difficulties in carrying them out. The consequent conflict developed between employees and supervisors sometimes have longterm effects (Lawler, 1994). The recipients of such performance feedback namely the employees are frequently unhappy and they reject the process of their performance review along with the feedback (Elicker, Levy & Hall, 2006). The reviews are often incapable of changing the employee's work ethics, neither can it improve performance or motivate or guide personal development (Keeping & Levy, 2000). In a survey involving approximately 50,000 organisational respondents employed by an international consulting firm, it was revealed that merely 13% of the firm's managers and 6% of the CEOs perceived that their performance management systems are effective (Posthuma & Campion, 2008).

Several studies have support the premise that performance appraisal is saliently linked with corruption and bribery of employees of their organisation (Abdull Sukor et al., 2008; Colquitt, Conlon, Wesson, Porter & Ng, 2001; Morrow, 2011). Moreover, Meyer and Allen (1997) contended that the fairness perception of the performance appraisal indicates that the employees are committed to its employers. In other words, if people perceive that the decisions are just, they would feel greater satisfaction and are more inclined not to take part in extra-role behaviour such as corruption and bribery (Colquitt, Conlon, Wesson, Porter & Ng, 2001).

It is evident that the employees' justice perception is important to the outcomes of performance. It is relevant for the managers to change the perception of employees during the evaluation performance (Tang & Sarsfield-Baldwin, 1996). Additionally, researchers like Salleh, Amin, Muda and Halim (2014) proved that a significant

relationship between performance appraisals and corruption and bribery of Malaysian public servants exist.

Based on the above discussion, this study suggests the following hypothesis:

H4: There is a positive relationship between performance appraisal and perception towards corruption and bribery of employees in RMP.

#### **3.2.2 Affective Commitment and Perception towards Corruption and Bribery**

Employees should commit to the rules and regulations lawfully, ethically and with integrity. As a part of this commitment, all forms of corruption and bribery are unacceptable. The individual policy of anti-corruption and bribery sets out informal policies to prevent acts of corruption and bribery. Such policies and procedures are designed to comply with the governing legislation of corruption and bribery on a global basis. Such individual policies also provide guidance on the standards of behaviour to which employees must all commit and most of these reflect the common sense and good business practices that employees work to in any event (Gbadamosi & Joubert, 2005).

Empirical data, through social theory, presented how employees who are supported and cared for by their organisation exhibited more affective commitment (Allen et al., 2003; Eisenberger, Fasolo & Davis-LaMastro, 1990). Being treated with a sense of dignity and respect makes the employees feel that the organisation values their talent and is equally concerned for their well-being (Mohamed et al., 2006). As with non-profit employees, the intrinsic rewards that are emotionally rooted in the organisation bind them to the organisation, which results in more of a commitment to stay and hence lower corruption

and bribery. On the other hand, results of the previous studies indicated that the respondents' perception of widespread corruption calls for a reinvigoration of government anti-graft efforts and the need to improve the employees' commitment in the country to limit the corruption and bribery.

Thus, based on the above mentioned results, this study proposed the next hypothesis as follows:

H5: There is a positive relationship between affective commitment and perception towards corruption and bribery among employees in RMP.

#### 3.2.3 Relationship between HRM Practices and Affective Commitment

The following sections illustrate the direct relationship between HRM Practices and Affective Commitment.

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#### **3.2.3.1** Training and Development and Affective Commitment

Previous researchers such as Bulut & Culha, 2010; Dhar, 2014; Ehrhardt, Miller, Freeman & Hom, 2011; Jones, Latreille and Sloane, 2004; Newman, Oakland & Oakland, 2001; Thana, Coody & Hui, 2011; Vorhies & Harke, 2000) have found evidence that the impact of T&D improves the rate of employees' intention to stay and improve their commitment as well. This infers that training can reduce the turnover of the organisation. This is plausibly due to the fact that from the employee's point of view, training is a symbol of the employer's commitment to their staff (Ehrhardt et al., 2011). If the training involves the development of skills specified to the organisation's advantage, it is likely to result in greater productivity for the firm, which in turn may raise the wages above what the employee will obtain elsewhere thus provide an incentive to stay (Dhar, 2014).

Nankruis, Comptun and Mc Carty (1999) indicated that effective training would not only equip employee with most of the knowledge and skills needed to accomplish jobs but it would also help to achieve the overall organisation objectives by contributing to the satisfaction and productivity of employee. Learning new skills may trigger renewed interest in many aspect of the job. These experiences are bound to make employee connect better with their mates and foster higher engagement. Therefore, based on the previous studies' findings, this study proposes the following hypothesis:

H6: There is a positive relationship between training and development and affective commitment of employees in RMP.

## **3.2.3.2** Career Development and Affective Commitment

According to Zheng and Kleiner (2001), career development is a direct approach taken by an organisation in ensuring that people with the proper qualifications and experience are available when needed. Career development helps the organisation to avoid the dangers of a declining and an unacceptable workforce. They (Zheng & Kleiner, 2001) also asserted that career development acts as an orientation to human resource development activities. As the employees of an organisation grow and change, the kinds of work they wish to do may also change. If the employers can assist their employees in making decisions about future work prospect, they can prepare employees to be more effective when taking on new positions. When the employers understand how their employee's decides about future work, they can do a better job in planning it in their human resource needs (Zheng & Kleiner, 2001).

Cowden and Cummings (2012) discover that the presence of meaningful work and opportunities of being promoted may affect the employees' affective commitment to stay in the organisation. The evaluation criteria used in promotion and the reward system also has a significant effect on the employees' affective commitment (Benjamin, 2012). Employees who feel that they are conductive to the organisation are likely to be more occupies with their job, and will less likely to leave the organisation. Likewise, employees who feel that they have a higher chance of being promoted have a higher possibility to stay in the organisation... Moreover, career development will not only give the employees a sense of appreciation and gratitude, but also will influence their decision on retention and resignation. Based on the above discussion, the following hypothesis was suggested:

*H7: There is a positive relationship between career development and affective commitment of employees in RMP.* 

#### 3.2.3.3 Salary and Benefits and Affective Commitment

Compensation is described as the cumulative monetary and nonmonetary rewards given to the employees in return for their services (Mondy & Noe, 2005). The monetary and non-monetary rewards are based on the job value, the level of personal contributions, efforts and performance (Milkovich & Newman, 2005). Presenting compensation is critical to attract, retain and motivate the employees to continue contributing towards the organisation's success (Philips & Fox, 2003). The reason being is that benefits are important to influence the individual to work with the organisation. Many organisation does not only use the salary and benefits system in rewarding and recognising employees' efforts and contributions, but also as a motivation tool to improve their commitment through improving job performance (such as not involve in corruption and bribery), impeding the intention to leave and increasing career satisfaction (Chiu, Luk & Tang, 2002).

Salary and benefit systems are designed to attract and retain employees and to motivate them to increase their effort and commitment toward the achievement of organisational goals (Bergmann & Scarpello, 2001). Salary and benefit are considered as one of the most significant costs in operating a business. Above all, salary and benefit does not only influence hiring and retention decisions but it is also an important tool to align employees' interest with organisational goals by designing and providing rewards if they meet the specific goals assigned to them.

The benefit's outcome has been widely studied and reported in many literatures, for instance, Wang, Tao, Ellenbecker and Liu (2012) found that salary growth and other non-salary benefits influence employees significantly on their intention to quit. Armstrong and Taylor (2014) found that employees' commitment is significantly affected by the total benefit package. Several studies on productivity emphasise that high talent individuals often seek a higher pay. If an organisation is able to offer an attractive benefits package for them, they might retain and offer more commitment with the current organisation (Jardine & Amig, 2001; Shepherd & Mathews, 2000). On the contrary, if the

organisations fail to provide an equitable salary and benefit, it would result in employees' negative attitudes toward the organisation such as unwilling to retain with the current organisation. Consistent with the above previous studies' results, this study provides a hypothesis as follows:

H8: There is a positive relationship between salary and benefits and affective commitment of employees in RMP.

#### **3.2.3.4 Performance Appraisal and Affective Commitment**

Performance appraisal is a measuring, evaluating, improving, encouraging and rewarding process used in evaluating employee's performance (Mondy & Noe, 2005). Performance appraisal is a conventional system used to review and evaluate employees' performance periodically (Abdul Aziz, 2001). In other words, it is the process which evaluates how the employees perform their tasks in line with a set of standards or organisation's expectations. Performance appraisal is not only a useful tool in evaluating employees' job performance, but it can also be used to develop and motivate employees (Anthony, Kacmar & Perrewe, 2002).

Through the performance appraisal process, employees will be aware of their performance level and will realise their weaknesses through valuable feedback's or guidance from the top management. They will in turn take the steps required to improve their commitment and performance. Therefore, performance appraisal needs to be carried out in a certain time restraint for the purpose of developing the human capital. Results from the performance appraisal may facilitate the top management in deciding about compensation allocations, promotions, terminations, transfers, recognition awards, and training opportunities that can influence employees' satisfaction and opportunities for career advancement. Most organisations believe that performance appraisal is a useful tool that helps the organisation to determine and develop the employee's potential and to evaluate employees' performance, which is vital towards the organisation's success and enhance the affective commitment (Lau, Wong & Eggleton, 2008).

Performance appraisal represents a formalised process of monitoring worker's and is intended to be a management tool to improve the performance and productivity of employees (Brown & Heywood, 2005). Employee commitment, productivity, and intention to stay in the organisation can be improved with this system. Brown and Heywood (2005) also stated that the possibility of performance appraisal is enhanced by complementary HRM practices like formal training and incentive pay which will improve the level of commitment.

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Erdogan (2002) revealed that employees are likely to perceive the appraisal process as fair, if they are accurately rated against the performance standards and fair actions are taken in accordance with the evidences of appraisal. Therefore, employees' work behaviour such as intention to stay can reflect in their perception of performance appraisal. Dailey and Kirk (1992) found that effective performance appraisal and planning systems contributed to employees' perceptions of fairness and they were more likely to enhance the level of affective commitment. Employees who feel that they are being treated fairly by their employers are more like to keep their job, compared to those who feel that they have been unfairly treated by their employers. Based on the aforesaid

findings, it can be theorised that performance appraisal and achievement have impact on employee performance as well as retention in an organisation. Hence, this study hypothesises that:

H9: There is a positive relationship between performance appraisal and affective commitment of employees in RMP.

# **3.2.4** The Mediating Effect of Affective Commitment on the Relationship between HRM Practices and Perception towards Corruption and Bribery

The role of HRM in furthering commitment in companies is undeniable (Caldwell et al., 2011). The HRM department often provides the means in which commitment is implemented to build an organisation with a commitment culture (Miceli et al., 2009). This view is echoed by Winstanley and Woodall (2000) who says that commitment is 'particularly pertinent to HRM because of the extent to which individuals and their lives are affected by the way they are managed in the employment context'. Furthermore, as more companies became more globalise, the HRM interest in organisation commitment becoming stronger (e.g.Martin et al., 2007; Parboteeah et al., 2005). As such, continued scholarly exploration of affective commitment and its role in limiting the unethical behaviours such as corruption and bribery remains important.

Affective commitment is the affective factor of organisational commitment and it refers to the employee's level of identification of the employee towards their attachment to the organisation and their great levels of involvement in it (Mayer & Allen, 1990). Along with effective commitment, organisational commitment consists of two other commitment types namely continuance and normative commitment. More importantly, among the above three, affective commitment is the most significant predictor of interest outcomes to the organisation like turnover intentions, absenteeism, job performance and organisational citizen behaviour (Meyer et al., 2002). Moreover, affective commitment among the three may exert a positive effect on the employee well-being because it negatively affects stress as well as conflict between work and family (Meyer et al., 2002). In other words, organisational initiatives that positively influence employees' affective commitment may provide organisations and employees ample benefits.

As a consequence, affective commitment is the most extensively discussed form of psychological attachment to an organisation because it is related to positive results (Jaramilo, Mulki & Maseshall, 2005). Several research studies dedicated to commitment have constantly focused in the area of affective commitment (Mohamed, Taylor & Hassan, 2006). Mowday et al. (1979) and Riketta (2002) referred to affective commitment as attitudinal commitment. Specifically, Meyer and Allen (1991, p. 62) clarified that attitudinal commitment concentrates on the process by which individuals perceive their relationship with the organisation. In several ways, it can be considered as the individuals' mindset concerning the level to which their own values and goals are aligned with those of the organisation's values and goals.

Furthermore, affective commitment was revealed to be related with various outcomes like turnover, absenteeism, job performance and citizenship behaviour (Meyer & Herscovitch, 2001). As such, its investigation is significant and is invaluable to the leaders of the organisation as organisational commitment has been evidenced to influence other outcomes like turnover intentions (Benjamin, 2012) and sales and profitability of the company (Darwish & Yousef, 2000). The present study attempts to explain the HRM practices in terms of their enhancement of affective commitment in an attempt to confine the perception towards corruption and bribery in the context of Malaysia.

Hence, this study hypothesises that:

H10: There is the mediating effect of affective commitment on the relationship betweenHRM practices and perception towards corruption and bribery of employees inRMP.

#### **3.3 Research Methodology**

#### 3.3.1 Research Design

The basic research design utilised for this study is a survey design. The research design is important in conducting any research as it is considered as the systematic plans of what data to collect, from whom, when and how to gather the data, and how to analyse the data gathered. The research questions and objectives also determine the design of any research (Cohen & Manion, 2002). Accordingly, this study used a quantitative design as it is appropriate for this type of study. Zikmund (2003) claimed that the objectives, availability of information, and cost for conducting the research, are the factors affecting the choice of design. The main objective of this study is to investigate the relationship between HRM practices and perception towards corruption and bribery through affective commitment as the mediating variable. The collection of primary data is accomplished using a personal survey instrument. This questionnaire is necessary to achieve the goals of the study.

Howitt and Cramer (2000, p. 93) define the respondents "who researchers actually examine as a subset of a population selected from the full set or the entirety of population in accordance with the research design". Miles & Huberman (1994) point out that no study whether qualitative, quantitative or both can include everything: "you cannot study everyone everywhere doing everything" (Miles &Huberman, 1994, p. 27). Moreover, Bell (1999) confirms that the sampling techniques should be as far as possible, representative of the overall population.

Kane (1983) and Dornyei (2003) indicate that a good sample should be very similar to the target population in most of its general particularities such as gender, age, educational background, ethnicity, social class, academic capability, and socioeconomic status. The selection of the sample in survey research depends on the objectives of the study and the nature of the population under investigation (Cohen & Manion, 1994).

#### **3.3.2 Sample and Data Collection**

#### 3.3.2.1 Sample

There are about 5,647 polices and RMP staffs in Penang. Therefore, all of the employees are taken as a population for this study. Based on the table for determining sample size which is created by Krejcie and Morgan (1970), and according to the total number of the population (5,647) the total number of sample according to the Krejcie's and Morgan's (1970) table should be at least 361 respondents. 700 questionnaires were distributed, where it retrieved 412 questionnaires from the respondents, and 26 were cancelled due to

incomplete answers. Therefore, the final sample was 386, which were consistent with Krejcie and Morgan (1970).

#### **3.3.2.2 Data Collection**

Questionnaire is used to examine the relationship between HRM practices and perception towards corruption and bribery through affective commitment as the mediating variable. Therefore, the collection of primary data is accomplished using a self-administered personal instrument.

700 questionnaires were personally distributed to the respondents (staff of the RMP Penang, ranging all rankings) to achieve the goals of the study. However, only 412 questionnaires were returned, but 26 were incomplete answers and therefore were cancelled.

#### 3.3.3 Research Instrument Universiti Utara Malaysia

This section describes the measures used in the current study. The dependent variable in this study is the perception towards corruption and bribery. There is one mediating variable in this study namely affective commitment. The independent variables are HRM practices. Matching questionnaires are distributed to the staff of RMP in Penang. The questionnaire contained two sections (see appendix A). The first section relates to the demographic information of RMP staff such as gender, age, education level, experience and employee's position. The second section contains 76 items divided into 53 to measure the HRM practices, 8 items to measure the affective commitment while 15 items used to

measure the perception towards corruption and bribery. The sources of the independent and dependent variables' measurements are shown in Table 3.1 below:

Variables	Abbreviations	Sources of Scale	No. of Items	Questions Number
Training and	TD	(Delery & Doty, 1996)	11	1-11
Development				
Career	CD	Delery & Doty (1996);	16	12-27
Development		Burke, Divinagracia and		
		Mamo (1998)		
Salary and Benefits	SB	Kim (1996); Ellenbecker,	7	28-34
		Byleckie & Samia (2008)		
Performance	PA	Delery & Doty (1996);	19	35-53
Appraisal.		Tsui, Pearce, Porter &		
		Tripoli (1997)		
Affective	AC	Meyer & Allen (1991)	8	54-61
Commitment				
Corruption and	CB	Gbadamosi & Bello (2009)	15	62-76
Bribery	12			

#### 3.3.3.1 Training and Development

Training and development refers to the ongoing educational activities within an organisation designed to enhance the fulfillment and performance of employees (Ford, 2014). In this study, Training and Development dimension is measured using the scale adopted from Delery and Doty (1996). The items of the scale were illustrated in Table 3.2 and measured using seven points Likert scale ranging from 1: strongly disagree to 7: strongly agree.

Table 3.2

Operational Definition and Items of Training and Development Dimension

Dimension	Operational	Items	
	Definition		
Training and	Opportunity to	1.	Extensive training programs are provided for RMP staffs.
Development	study and develop knowledge and new skills needed to	2.	RMP has an explicit policy requiring all RMP staff to spend specified minimum period annually in training programs.
	carry out the present job or future	3.	Formal training programs are to teach new hires, the skills they need to perform their jobs.

	assignments.	4. RMP conducts a systematic analysis in determining the
		need for training programs.
		5. RMP conducts systematic analysis to assess the
		effectiveness of its training programs.
		6. Training and development policy in RMP is fair.
		7. Formal training programs are offered to RMP staffs to
		improve their positions in this organisation.
		8. My superior decides on the training and development
	need.	
		9. I am given the opportunity to upgrade my knowledge and
		skills to improve my performance through continuance
		training.
		10. I received the training I need in order to perform my
		assignment well.
		6
		11. I have the opportunity to be involved in the activity
		which can help raise the level of my expertise/skills.

Source: Delery and Doty (1996)

#### **3.3.3.2 Career Development**

Ivancevich and Lee (2002) defined career development as the upward rise in one's chosen line of work which includes to make more money; have more responsibility; and acquire higher status, prestige and power. It is also referring to the "Internal career opportunities referred to the extent to which a hank had an internal career ladder or internal career opportunities" (Delery & Doty, 1996). Career development was measured using 16 items adopted from Delery and Doty (1996) and Burke, Divinagracia and Mamo (1998). Table 3.3 shows the definition and the measurement items for this dimension based on Delery and Doty (1996) and Burke et al. (1998).

Dimension	Operational Definition	Ite	ms
Career Development	Opportunity for promotion and	1.	Individuals in RMP staff have clear career paths within the organisation.
	career development in	2.	Employees' career aspirations are to be known by their supervisors.
	the organisation	3.	Employees in Penang police department who desire a promotion have more than one position they wish to be promoted to.
		4.	A process of promoting or transferring the

Table 3.3

employee to a different job within the organisation to provide one with the needed skills, experiences and exposure. 5. The employee has very good prospects for promotion in Penang police office. The employee wish to advance in Penang police 6. office as far as his abilities permit. 7. I am able to retrieve information for the purpose of planning my career. 8. I am satisfied with the method use in the promotion exercise implemented by the organisation. 9. In this organisation, promotion is decided in a fair manner. 10. Penang police office provides career development program in (formal classes seminars) to help employees develop a greater awareness of their talents, interests, career goals and learn about different career opportunities. 11. Career development can enhance my employability and career prospects. 12. Career development benefits my organisation. 13. Career development has significant benefits for me. 14. Career development will improve my job performance and will have a motivating effect on me. 15. It's worth making an effort on career development because of the beneficial outcomes. 16. There are rewards for continuing my professional development. Source: Delery and Doty (1996) and Burke et al. (1998)

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#### 3.3.3.3 Salary and Benefits

American Heritage Dictionary of the English Language (2011) defines salary as a fixed compensation for services paid to a person on a regular basis. Benefits on the other hand include short-term benefits (e.g. wages, salary etc.), post-employment benefits (e.g. gratuity, pension etc.), long-term benefits (e.g. long-service leave etc.), and termination benefits (www.mca.gov.in/ministry/AS 15, 2014).

Salary and benefits are said to be a part of a compensation package. The employee's compensation involves the process of paying and rewarding their contribution for the organisation (Stewart & Brown, 2009). Compensation rewards people for performing

organisational work through pay, incentives and benefits (Mathis & Jackson, 2004). Compensation is referred as all types of pay or rewards (Dessler, 2008). Measurement of this dimension is based on the scale developed by Ellenbecker, Byleckie and Samia (2008) and Kim (1996) (Refer to Table 3.4).

Table 3.4:

Operational	Ite	ms		
Definition				
Compensation that	1.	I received recognition for my achievement.		
rewards people for	2.	The salary I received encouraged me to do a better job.		
performing	3.	Incentives such as bonuses motivate me do more than		
organisational work		that is required.		
through pay, incentives	4.	I received a total salary that commensurate the job that I		
and benefits.		am doing.		
	5.	In general, my salary is the same/similar as the salary of		
The A		my colleague holding equivalent position as I am.		
UTARA	6.	In general, my salary is the same/similar as the salary		
A 14		paid for the same job by other company's within the		
		same industry.		
	7.	The fringe benefits offered by this organisation are		
		attractive.		
1996) and Ellenbecker	et a	al. (2008)		
		alti Iltere Melevale		
mance Annraisal	e	rsiti Utara malaysia		
munee appraisai				
	Definition         Compensation       that         rewards       people       for         performing       organisational       work         organisational       work       through pay, incentives         and benefits.       and benefits.	DefinitionCompensationthatrewardspeoplefor2.performing3.organisationalworkthrough pay, incentives4.and benefits.5.		

Performance appraisal (PA) are a systematic description of employee's strength and weaknesses (Aguinis, 2009). It is also refers to "the degree to which performance appraisals focused on output or results measures rather than on behavioural measures" (Delery & Doty, 1996). PA is a continuing process in identifying, measuring and developing individual's performance and aligning with the strategic goals of the organisation. This dimension uses seven-point Likert scale adopted from Delery and Doty (1996) and Tsui, Pearce, Porter and Tripoli (1997). Table 3.5 shows the items used to measure performance appraisal.

Table 3.5:

Operational Definition and Measurement of Performance Appraisal Dimension

Dimension	Operational	Ite	
	Definition		
<u> </u>	Operational Definition It is the degree to which performance appraisals focused on output or results measures rather than on behavioural measures.	Iter           1.           2.           3.           4.           5.           6.           7.           8.           9.           10.           11.           12.	Employees in Penang police office receive a formal evaluation of their performance annual. Performance appraisal for employee in Penang police office is based on supervisor subordinates rating. Performance appraisal for all employees in Penang police office is based on a structured and standardised rating scale. Employee in Penang police office could know the performance appraisal results by the formal feedback system. In Penang police office, every aspect of performance evaluation is evaluated objectively. Performance evaluation for employee in Penang police office is based on their job related criteria. Yearly performance evaluation depends upon the kind of relationship employees have with their supervisors, not the work they perform. Penang police office ties the results of performance appraisal of an employee to his or her salary increase or job performance. I am evaluated fairly based on my performance. Performance appraisal is based on individual performance. Individual contributions are encouraged and recognised. I get a feeling of accomplishment from the iob I do.
ANN UTARA		9. 10.	appraisal of an employee to his or her salary increase or job performance. I am evaluated fairly based on my performance. Performance appraisal is based on individual performance.
	Univer	12.	recognised. I get a feeling of accomplishment from the job I do. I understand the performance appraisal (PA) system
BUDI D			being used in this organization.
		14.	I understand the objectives of the present
		15.	performance management system. I have a real understanding how the performance appraisal (PA) system works.
		16.	I do understand how my last performance appraisal (PA) rating was determined.
		17.	I understand the standards of performance my organisation expects.
		18.	My employer clearly communicates to me the objectives of my performance appraisal (PA) system.
		19.	I would benefit from additional training in the process of the performance appraisal (PA) system.

Source: Delery and Doty (1996) and Tsui et al. (1997)

#### 3.3.3.5 Affective Commitment

Affective commitment is the presence of emotional attachment to an organisation that affectively committed to how the individual identifies, involved and enjoys membership in the organisation (Meyer & Allen 1991). The eight items used to measure affective commitment was adopted from Meyer and Allen (1991). The measurement of the affective commitment was on a seven Likert scale.

Table 3.6:

Dimonsion

On an ation al	Definition	and Itan	for Affasting	Committee
Operational	Definition	ana nem	<i>Jor Affective</i>	<i>Commitment</i>

**Operational Definition** 

Dimension	Operational Definition	Items
Affective Commitment	• Refers to employees' emotional attachment	1. I would be very happy to spend the rest of my career with this organisation.
	to, identification with, and involvement in, the organisation.	<ol> <li>I enjoy discussing my organisation with people outside it.</li> <li>I feel as if these organisation's problems are my own</li> </ol>
IAIND .	• Enjoys membership in, identifies with and involves in, the organisation. Remains because he/she wants to.	<ul> <li>own.</li> <li>I do not think I could become as attached to another organisation as I am to this one.</li> <li>I feel "like part of family" at my organisation.</li> <li>I feel emotionally attached to this organisation.</li> <li>This organisation has personal meaning for me.</li> </ul>
10	BUDI BAS	8. I feel a strong sense of belonging to my organisation.

Itome

Source: Meyer and Allen (1991)

#### **3.3.3.6 Perception towards Corruption and Bribery**

Corruption and bribery involve actions that are regarded as improper and unlawful in which they seek to promote private benefits at the expense of the public interests. It is seen as a deviant behaviour associated with a specific motivation namely that of private gains at public cost (Siddiquee, 2010). Only 15 items out of 20 items were used to measure perception towards corruption and bribery adapted from Gbadamosi and Bello (2009) because of the cultural and behavioural issues. The measurement of the corruption

and bribery was on a seven Likert scale, ranging from 1: Strongly Disagree to 7: Strongly

Agree. Table 3.7 below shows these items in details.

Dimension	Operational Definition		Items
Corruption	• Shleifer and Vishny (1993)	1.	Lack of sanctions for corrupt practices is likely to
and Bribery	define corruption as "the		increase corruption.
	sale by government	2.	Corruption and bribery is common in this
	officials of government		organisation (RMP).
	property for personal	3.	Corruption and bribery is culturally acceptable in
	gain."		this country.
		4.	Corruption and bribery is more common in the
	• Bribery is defined as "the	-	public sector but fewer in private sector.
	act of taking or receiving	5.	Corruption and bribery is certainly not increasing
	something with the	6	in this organisation.
	intention of influencing the	6.	The level of corruption and bribery in thi organisation is exaggerated by the community.
	recipient in some way	7.	Changes in cultural values have increased
	favourable to the party providing the bribe	1.	corruption in this organisation.
	(Osipian, 2014).	8.	An effective anti-corruption agency car
12	(Osipian, 2014).	0.	reduce/eliminate corruption and bribery.
15/		9.	A good and committed government can reduce
E			corruption and bribery.
IV		10.	Senior staffs in RMP are generally more corrup
Z			than ordinary staff.
-		11.	Corruption and bribery is a major problem in this
			country.
(ZA)	Univer	12.	
10	BUDI BI		this organisation
		13.	Corruption and bribery is not common among very
			religious people.
		14.	Prayers can help reduce and remove corruption and
		15	bribery.
		15.	I am a very religious person.

 Operational Definition and Item for Corruption and Bribery

 Dimension
 Operational

#### **3.3.4 Translation of Questionnaire**

The original questionnaire (English version) was translated into Bahasa Malaysia (target language) by an English lecturer at Universiti Utara Malaysia who is also proficient in Bahasa Melayu. Then, the translated questionnaire was sent again to another Bahasa Melayu lecturer who is also proficient in English language in order to translate the Malay version into English version. Both versions (English and Malay) were compared for any

Source: Gbadamosi and Bello (2009)

discrepancies. The researcher noted any concern or inconsistencies among both versions. The final questionnaire contained 76 items and 5 demographic questions in 6 pages in both versions.

#### 3.3.5 Pilot Test

Many academicians who focuses on social science has stresses the importance of managing a pre-testing in establishing the proposed questionnaire in order for it to be theoretical and practical, understandable, and clear to the potential respondents. According to Salant and Dillman (1994), pre-testing a questionnaire is very tedious; however, it is necessary in ensuring a high quality questionnaire is produce. Alreck and Settle (1995) added that even a highly experienced academician could improve their questionnaire's quality by carrying out a pretesting.

In conducting the pre-testing, the questionnaire items that are meant to measure the role of HRM practices and affective commitment on corruption and bribery were first discussed with two expert academicians to ensure that the instrument validity and that the items reflected on the variables are as adopted from the literature. After considering all the recommendations given, a pilot test was run on a sample of 30 RMP staff in Penang. The reliability of the instrument of this study was tested using Cronbach's alpha. According to Hair, Black, Babin, Anderson and Latham (2010), the instrument is deemed to be acceptable when the alpha values are between 0.6 and 0.7, and has a high reliability if it is above 0.7. After the data was collected from the questionnaires, it was then calculated by using SPSS version 21. The reliability value was found to be 0.71 to 0.92, which is much higher than 0.70. This verifies that, the current questionnaire is reliable and is applicable in the main study (see Table 3.8).

Constructs	Number of Items	Initial Cronbach's Alpha	Items Deleted	Final Cronbach's Alpha
Training and Development (TD)	11	0.92	Nil	0.92
Career Development (CD)	16	0.86	Nil	0.86
Salary and Benefits (SB)	7	0.72	Nil	0.72
Performance Appraisal (PA)	19	0.91	Nil	0.91
Affective Commitment (AC)	8	0.80	Nil	0.80
Corruption and Bribery (CB)	15	0.71	Nil	0.71

Table 3.8Reliability Check of the Questionnaire

**3.3.6 Unit of Analysis** 

The unit of analysis was on individual level that is the RMP staff in Penang.

#### 3.3.7 Data Analysis

Various statistical analyses were employed to meet the objectives of this study by using SPSS (version 21). The data is analysed in five stages: (1) test of differences, (2) factor analysis, (3) descriptive statistics, (4) correlation analysis, and (5) multiple regression analysis.

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#### 3.3.7.1 Test of Differences

In this study, the test of differences between variables is conducted for different objectives. The test for differences between the early and late response is conducted to ensure there is no response bias in this study (Pallant, 2013).

#### **3.3.7.2** Factor Analysis

Factor analysis is a method used to decrease a great number of variables in a factor by combining the related variables together (Hair et al., 2010). Factor analysis in this study is undertaken to determine the dimensions of the HRM practices (Training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery, with affective commitment measures as the mediating variable. According to Pallant (2013), the steps for factor analysis are as follows:

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- 1. Consideration of the appropriateness of the data for the data analysis by fulfilling the required assumptions, such as adequate sample size, existence of adequate correlations between the items in the same factor, achieving condition of linearity and checking for outliers.
- Factor extraction using suitable techniques to verify the smallest number of factors. This study adopted the principal component analysis since this technique has been widely used by researchers.
- Factor extraction using suitable techniques to verify the smallest number of factors. This study adopted the principal component analysis since this technique has been widely used by researchers.

4. Factor rotation and explanation is used when there is a need to repeat the rotation, and when there appears to be high loadings on more than one factor.

After the factor analysis, the reliability test is undertaken to assess the goodness of the measurement as well as to determine the internal consistency of the measurement items. The most widely used measurement for the reliability of the scale is Cronbach's Alpha value, which ranges from 0 to 1 (Hair et al., 2010).

#### **3.3.7.3 Descriptive Statistics**

Descriptive statistics are undertaken to provide the background information of the respondents to the questionnaire survey. In this study, the descriptive statistics are undertaken using central tendency and variation statistics, including means, ranges and standard deviation.

### Universiti Utara Malaysia

#### **3.3.7.4** Correlation Analysis

Correlation analysis is described as the assessment of the relationship between two variables (hair et al., 2010). This study aims to examine the relationship between different variables comprising of HRM practices (training and development, career development, salary and benefits and performance appraisal) as the independent variables, perception towards corruption and bribery as the dependent variables and affective commitment as the mediating variable.

Correlation analysis is conducted for this study for three main reasons. Firstly, the tests are conducted to determine the direction of the relationship between these variables. Secondly, the tests are conducted to determine the strength of these relationships of these

variables. Thirdly, the tests are conducted to examine if there is any multicollinearity between the independent variables.

#### 3.3.7.5 Multiple Regression Analysis

Multiple regression analysis is used to examine the effect of more than one independent variable on one single dependent variable (Pallant, 2013). In this study, multiple regressions are employed to predict the strongest item between training and development, career development, salary and benefits and performance appraisal as independent variables on the perception towards corruption and bribery as a dependent variable.

#### **3.4 Chapter Summary**

This chapter highlighted the methodology that was used in this study, approach, population and sampling procedures, measures, data collection procedure from primary resources and statistical methods used to analyse the data to achieve the objectives of this study. This chapter has discussed questionnaire design, and measurement of variables. Based on the pilot test conducted, the reliability test shows that all instruments used exceeded the recommended value of 0.7. Therefore, the results and findings of this study are presented in the next chapter.

#### **CHAPTER FOUR**

#### DATA ANALYSIS AND FINDINGS

#### 4.0 Introduction

This chapter discusses the data analysis and their findings. First, it describes the response rate and the demographics distribution of the respondents. This is followed by the determination of goodness of sample via validity and reliability tests of factor analysis and internal consistency via the values of Cronbach's alpha. The proposed study hypotheses were studied through the use of Pearson correlation analysis, multiple regression analysis, and mediation analysis. The summary of the discussed sections is provided at the end of the chapter.

#### 4.1 Response Rate

The study sample consists of the RMP in Penang and owing to the considerable number of the sample, it was not feasible and even possible to let all them participate and hence, a sample was taken on the basis of the tables established by Bartlett, Kotrlik and Higgins (2001); Cochran (1977), Krejcie and Morgan (1970), and Mendenhall, Reinmuth and Beaver (1993). They proposed that the number of sample is ten times the number of the items in the questionnaire. Specifically, according to Krejcie and Morgan (1970), the size of the sample should be 346 while Bryman and Bell (2003) contended that it has to be higher to prevent issues from occurring in the attribution of sample. With the above recommendations in consideration, the researcher distributed 700 questionnaires, among which 412 questionnaires were returned, indicating a response rate of 58.86%. Twentysix questionnaires were cancelled because of their incomplete answers, making, the final sample 386 (55.14%) - a sample number consistent with that recommended by Krejcie

and Morgan (1970) (Refer Table 4.1)

Table 4.1	
Summary of the Total Questionnaires and the Response Rates	

Sample size of the study	700
Returned questionnaires	412
Returned and usable questionnaires	386
Returned and unusable questionnaires	26
Non-returned questionnaires	288
Response rate	58.86%
Usable response rate	55.14%

#### 4.2 Demographic Distribution of the Respondents

The demographic characteristics of the respondents are presented in Table 4.2 indicating

their diversified characteristics in terms of gender, age, level of education, experience and

present position with RMP, Penang.

Table 4.2:

Demographic	Category	Freque	ncy Percent %	Cumulative	Percent
Characteristic	BUDI BAT			%	
Gender	Male	342	88.6	88.6	
	Female	44	11.4	100.0	
Age	22-29	236	61.1	61.1	
	30-39	60	15.5	76.6	
	40-49	37	9.6	86.2	
	50 and above	53	13.8	100.0	
Education	Diploma	104	26.9	26.9	
background	Bachelor degree	56	14.5	41.5	
-	Master	25	6.5	47.9	
	Others	201	52.1	100.0	
Experience	Less than or				
•	equal 2 years	45	11.7	11.7	
	3 to 5 years	71	18.4	30.1	
	6 to 10 years	155	40.2	70.2	
	More than 10				
	years	115	29.8	100.0	
Present Position	Police constable	273	70.7	70.7	
	Lance corporal	87	22.5	93.3	

Sampling Profile of the Respondents

Corporal	11	2.8	96.1
Sub inspector	1	0.3	96.4
Assistant			
Superintendent			
of Police	14	3.6	100.0

To begin with, with regards to gender, 88.6% (342) of the respondents were male while the remaining 11.4% (44) were female. This is expected considering the institution under study, which is the RMP, where the males make up majority of the workforce and the females' positions in public sectors are limited.

Moving on to age, the results showed that over 61.1% (236) of the respondents were between the ages of 22 and 29, over 15.5% (60) were between the ages of 30 and 39, and 9.6% (37) were between the ages of 40 to 49. Finally, 13.8% (53) of the respondents were over 50 years of age. This shows the whole image of the RMP population since it was made compulsory by the government in recent times.

As aligned with their qualifications, 26.9% (104) of the respondents held diploma education, 14.5% (56) held bachelor degree of education, while the rest 52.1% (201) held other educational backgrounds.

As for their experience, according to the results, 11.7% (45) of the respondents had less than 2 years of experience or equal to it, 18.4% (71) of them had 3 to 5 years of experience, 40.2% (155) had 6 to10 years of experience and lastly, 29.8% (115) had more than 10 years of experience.

On the basis of their present position, 70.7% (29.8%) of the respondents were police constables, 22.5% (87) were Lance Corporals, 2.8% (11) were Corporal, 3% (1) were

Sub-inspector and lastly, 3.6% (14) of the respondents were Assistant Superintendent of Police.

#### 4.3 Descriptive Analysis of the Variables

Descriptive analysis was used to examine the study variables to obtain their minimum, maximum, mean and standard deviation values. The questionnaire employed the 7-point Likert scale to measure the study variables, with 1 depicting the minimum value while 7 depicts the maximum value (See Table 4.3. for detailed results).

Variable	Construct	Ν	Minimum	Maximum	Mean	Std. Deviation
Training and Development	TD	386	1.73	6.82	5.86	0.51
Career Development	CD	386	4.81	6.69	5.62	0.34
Salary and Benefits	SB	386	ver4.57	6.86	a 5.97 s	<b>a</b> 0.52
Performance Appraisal	PA	386	3.63	6.26	5.11	0.41
Affective Commitment	AC	386	3.00	6.38	5.11	0.64
Corruption and Bribery	СВ	386	1.40	5.60	4.03	0.70

Table 4.3

Specifically, a descriptive data analysis was carried out to provide a description of the training and development (TD), career development (CD), salary and benefits (SB),

Descriptive Statistics of the Constructs

performance appraisal (PA), affective commitment (AC) and perception towards corruption and bribery (CB) from the perspective of respondents.

The mean, standard deviation, minimum and maximum of constructs are presented in Table 4.3. The results show the level of implementation of each factor of the above variables and it reflects the perceived performance level of RMP, Penang.

The obtained mean of the constructs are as follows: Salary and benefits (SB) had the highest mean (M=5.97, SD=0.52), followed closely by training and development (TD) (M=5.86, SD=0.51), career development (CD) (M=5.62, SD=0.34), affective commitment (AC) (M=5.11, SD=0.64), performance appraisal (PA) (M=5.11, SD=0.41), and perception towards corruption and bribery (CB) (M=4.03, SD=0.70). The entire items, as mentioned, were measured on a 7-point Likert scale.

#### 4.4 Testing Normality using Skewness and Kurtosis

Normality obtained in Table 4.4 indicated a symmetrical curve with the highest scores frequency located on the extremes in the frequency of small and middle values (Pallant, 2005). Some researchers (Kline, 1998; Pallant, 2005) contended that normal distribution of scores for dependent as well as independent variables can be obtained through skewness and kurtosis values. The constructs nature in social science is considered to have many scales, which may result in positive or negative skewness (Pallant, 2005). Additionally, the scores distribution is also gauged via kurtosis, which shows the level to which observations are collected and grouped around the central mean.

Moreover, in relation to this, Hair et al. (2010) stated that the values of skewness external to the +1 to -1 range is deemed to be skewed, while Kline (1998) stated that the cut-off

points fall between +3 and -3. Taking the above criteria under consideration, the values of skewness suggested by Kline (1998) which is in the range of +3 and -3 were achieved but those recommended by Hair et al. (2010) (+1 to -1) were not. With regards to the values of kurtosis, Coakes and Steed's (2003) suggested range (+3 to -3) was acceptable in terms of the results as clear in Table 4.4. Based on the obtained results, the some values of skewness were outside normal distribution.

Table 4.4
-----------

Testing Norm	nality usin	g Skewnes	ss and Kurt	osis			
VARIABLE		Mean	Std.	Skewness		Kurtosis	
	Construct		Deviation				
		Statistic	Statistic	Statistic	Std.	Statistic	Std.
10	UTARA				Error		Error
Training &	TD	5.86	0.51	.3.88	0.12	26.55	0.25
Development		E					
Career	CD	5.62	0.34	0.47	0.12	1.08	0.25
Development							
Salary &	SB	5 97	0.52 S	ti-0.55 a	0.12	-0.48	0.25
Benefits	BUDI BAS	5.710	0.02	0.00	0.12	0.10	0.25
Performance	РА	5 1 1	0.41	0.47	0.12	1.07	0.25
Appraisal	PA	5.11	0.41	0.47	0.12	1.07	0.25
Affective	AC	5.11	0.64	-1.14	0.12	2.76	0.25
Commitment							
Corruption	CB	4.03	0.70	-1.52	0.12	3.63	0.25
and Bribery							

#### 4.5 Goodness of Measure

Before moving on to the main research analysis, the research ensured that the instruments reliability and validity are confirmed. Factor analysis is often conducted to measure the validity of the instrument based on the constructs. In other words, the primary objective behind factor analysis is to identify that the underlying smaller amount of themes, dimensions, components/factors are significantly large variable sets (Meyers, Gamst & Guarino, 2006). Because a single item reflects only a portion of a construct, an item set is thus required to comprehend the overall construct.

#### 4.5.1 Reliability Analysis

Table 4.5

Internal consistency was investigated with the help of Cronbach's alpha values (See Table 4.5). The initial Cronbach's alpha values presented in Table 4.5 shows that they all range from 0.73 to 0.86 and this indicates the internal consistency of the items employed for the measurement of their respective constructs. Therefore, the instruments, utilised for collection of data, were valid and reliable to generate generalisable results in light of the study hypotheses.

Result of Reliability Analy Variables	Constructs	No. of Items	Initial Cronbach's Alpha	Malaysia
Training and Development	TD	11	0.86	
Career Development	CD	16	0.76	
Salary and Benefits	SB	7	0.75	
Performance Appraisal	PA	19	0.81	
Affective Commitment	AC	8	0.76	
Corruption and Bribery	CB	15	0.73	

#### 4.5.2 Construct Validity

In the present study, the researcher employed the exploratory factor analysis (EFA) to enable the most significant items to represent their respective constructs and to allow the construct to demonstrate good construct validity. According to Tabachnick and Fidell (2001), the suitable sample size for factor analysis is 300. Because the study sample size is 386, it is deemed to be suitable for factor analysis. Factor analysis was run on the study variables (i.e. training and development, career development, salary and benefits, performance appraisal, affective commitment and perception towards corruption and bribery.

#### 4.5.2.1 Factor Analysis for Training and Development

Data factorability was confirmed pertaining to the perceived service quality through Kaiser-Meyer-Olkin (KMO) values and Bartlett's test. The factor analysis result for items that represent training and development is displayed in Table 4.6. The KMO value for the entire dimensions is 0.82 whereas the result of Bartlett's test indicated a significant p value for each dimension of data. Stated differently, the results show that the data obtained for training and development is suitable for factor analysis according to indicators of factorability of the entire dimensions of the construct. Evidently, all the items representing training and development had sufficient factor loadings and they were over the cut off value of 0.50 (as recommended by Hair et al., 2010). The analysis yielded one single factor (eigenvalue = 5.04), explaining 45.8% of the variance in the data.

Result of Facto	Result of Factor Analysis for Training and Development								
Variable	Construct	Items	Factor Loading	Variance %	КМО	Eigenvalue			
Training and	TD	TD1	0.76	45.8%	0.82	5.04			
Development		TD2	0.62						
		TD3	0.85						
		TD4	0.85						
		TD5	0.51						

 Table 4.6

 Result of Factor Analysis for Training and Development

#### 4.5.2.2 Factor Analysis for Career Development

The obtained results for the factor analysis of items measuring career development are displayed in Table 4.8. Specifically, the value of KMO is 0.70, indicating good construct factorability. Evidently, the factor loadings of the items measuring career development were high (from 0.44 - 0.93) and were over the cut-off value of 0.5 except CD16 (0.44) (deleted) as recommended by Hair et al. (2010). The analysis yielded one single factor (eigenvalue = 4.69), explaining 29.29% of the variance in the data.

Variable	Construct	Items	Factor	Variance %	KMO	Eigenvalue
1 Ex		Universiti	Loading	Malaysia		
Career	CD	CD1	0.92	29.29	0.70	4.69
Development		CD2	0.93			
		CD3	0.79			
		CD4	0.74			
		CD5	0.81			
		CD6	0.74			
		CD7	0.67			
		CD8	0.86			
		CD9	0.63			
		CD10	0.62			
		CD11	0.83			
		CD12	0.89			
		CD13	0.59			
		CD14	0.71			
		CD15	0.56			
		CD16	0.44*			

Result of Factor Analysis for Career Development

\* deleted

Table 4.7

#### 4.5.2.3 Factor Analysis for Salary and Benefits

The factor analysis of items representing salary and benefits are presented in Table 4.8, with the KMO value being 0.74 indicating high items factorability. The results show that the entire factor loadings of items were high (0.43 - 0.89) and they are more than the 0.5 cut-off value as suggested by Hair et al. (2010) except SB1 (0.43) (deleted) and SB4 (0.46) (deleted). The analysis yielded one single factor (eigenvalue = 3.81), explaining 54.4% of the variance in the data.

Variable	Construct	Items	Factor Loading	Variance %	КМО	Eigenvalue
Salary and	SB	SB1	0.43*	54.4%	0.74	3.81
Benefits	UTAR	SB2	0.88	_		
13	5	SB3	0.70			
12		SB4	0.46*			
IVI		SB5	0.86			
ND	TYT K	SB6	0.89			
0		SB7	0.89		_	
* deleted	AND RUDA BASE	Univers	iti Utara	Malaysi	а	

Table 4.8Result of Factor Analysis for Salary and Benefit.

#### 4.5.2.4 Factor Analysis for Performance Appraisal

The KMO measure of sampling adequacy obtained for performance appraisal is 0.73 with the Bartlett's test indicating significant data factorability as shown by the values displayed in Table 4.9. Added to this, the entire factor loadings of the items were high (0.60 - 0.86) more than the cut-off value recommended by Hair et al. (2010), which is 0.50. The analysis yielded one single factor (eigenvalue = 5.44), explaining 28.6% of the variance in the data.

Variable	Construc	t Items	Factor Loading	Variance %	КМО	Eigenvalue
Performance	PA	PA1	0.66	28.6%	0.73	5.44
Appraisal		PA2	0.85			
		PA3	0.60			
		PA4	0.85			
		PA5	0.79			
		PA6	0.63			
		PA7	0.85			
		PA8	0.86			
		PA9	0.74			
		PA10	0.67			
		PA11	0.78			
		PA12	0.53			
		PA13	0.61			
T	TAR	PA14	0.67			
5		PA15	0.59			
		PA16	0.72			
	NY I	PA17	0.74			
		PA18	0.77			
-		PA19	0.54			
(II)		Universiti	Utara	Malaysia	a	

Table 4.9Result of Factor Analysis for Performance Appraisal

4.5.2.5 Factor Analysis for Affective Commitment

With regards to affective commitment construct, factor analysis of its items is presented in Table 4.10, with the KMO value of 0.62 and sampling adequacy indicating high items factorability. The results indicated that the factor loadings of the affective commitment construct items were high (0.61 - 0.91) and they exceed 0.50, Hair et al.'s (2010) suggested cut off value. The analysis yielded one single factor (eigenvalue = 3.43), explaining 42.9% of the variance in the data.

Variable	Construct	Items	Factor Loading	Variance %	КМО	Eigenvalue
Affective	AC	AC1	0.82	42.9%	0.62	3.43
Commitment		AC2	0.83			
		AC3	0.58			
		AC4	0.94			
		AC5	0.61			
		AC6	0.73			
		AC7	0.81			
		AC8	0.90			

Table 4.10Result of Factor Analysis for Affective Commitment

#### 4.5.2.6 Factor Analysis for Perception towards Corruption and Bribery

The items representing perception towards corruption and bribery in light of the results of factor analysis are presented in Table 4.11. The KMO value obtained is 0.63 and the measure of sampling adequacy showed high items factorability. All the items factor loadings were high (0.54 - 0.91) exceeding the 0.50 cut-off criterion by Hair et al. (2010). The analysis yielded one single factor (eigenvalue = 3.76), explaining 42% of the variance in the data.

Table 4.11

Result of Factor Analysis for Perception towards Corruption and Bribery

Variable	Construct	Items	Factor Loading	Variance %	КМО	Eigenvalue
Corruption and	СВ	CB1	0.72	42%	0.63	3.76
Bribery		CB2	0.70			
		CB3	0.90			
		CB4 CB5	0.80 0.74			
		CB6	0.85			
		CB7 CB8	0.61 0.77			
		CB9	0.64			
		CB10	0.54			
		CB11	0.91			

CB12	0.67
CB13	0.77
CB14	0.67
CB15	0.64

#### **4.6 Pearson Correlation Analysis**

The correlation analysis is primarily utilised to provide a description of the linear relationship and the strength of such relationship between two variables (Pallant, 2011). As such, the researcher utilised the Pearson Correlation analysis to assess and clarify the significant of relationship among the variables of the study. According to Hair et al. (2010), the correlation value of 0 indicates no relationship and that of  $\pm 1.0$  indicates perfect relationship. Meanwhile, Cohen (1998) contended that correlation falling in the range of 0 to 1.0 in the following way; those falling between  $\pm 0.1$  and  $\pm 0.29$  indicate a small relationship, those between  $\pm 0.30$  and  $\pm 0.49$  indicates medium relationship and those that are over  $\pm 0.50$  indicate strong relationship. Table 4.12 presents the outcome of Pearson Correlation analysis of training and development, career development salary and benefits, performance appraisal, affective commitment – which are all positively and significantly related with the perception towards corruption and bribery.

Variable	1	2	3	4	5	6		
1) Training And Development (TD)	1							
2) Career Development (CD)	0.30**	1						
3) Salary And Benefits (SB)	0.31**	0.38**	1					
4) Performance Appraisal (PA)	0.14*	0.49**	0.50**	1				
5) Affective Commitment (AC)	0.21**	0.36**	0.47**	0.41**	1			
6) Corruption And Bribery (CB)	0.16*	0.59**	0.37**	0.4.0**	0.81*	1		
**. Correlation is significant at the 0.01 level (2-tailed).								
*. Correlation is significant at the 0.05	level (2-tail	led).						

Table 4.12Results of Pearson Correlation Analysis

#### 4.7 Multiple Linear Regression Analysis

Regression analysis is an extensively utilised statistical method in many disciplines of Science (Hair et al., 2010). Regression is described as a statistical method that enables the prediction of a single variable from one or more variables (DeCoster, 2004). Regression analysis allows a regression equation to predict the value of the dependent variable from the values of its independent counterpart/counterparts (DeCoster, 2004).

For this research, the linear regression analysis was conducted for the identification of the direct relationship between the independent and dependent variables the direction of such relationship. Pallant (2011) stated that, linear regression is invaluable in its role in predicting the value of a single continuous dependent variable from a single continuous independent variable.

Specifically, multiple regression analysis clarifies the relationship among dependent and independent variables and determines the direction of such relationship. It also sheds light on the set of variable's capability in predicting a specific outcome. It refers to a multivariate statistical method employed to study the relationship between an independent and dependent variable.

In this regard, the researcher examined data to achieve several assumptions of multivariate analysis and to confirm the reliability of the outcome, prior to carrying out multiple regression analysis. The basic assumptions that were examined prior to regression analysis include linearity, normality, homoscedasticity, and independence of error terms. The researcher first determined the presence of multicollinearity and outliers prior to testing the assumptions.

The results showed that the assumptions of multivariate statistical method were satisfied guaranteeing that the results are valid and reliable. The next sub-sections contain details of the assumptions testing.

#### **4.7.1 Diagnostic Tests**

Data quality is ensured by confirming the major assumptions relating to multiple regression analysis. Such assumptions have to be satisfied to ensure the model's effective prediction of actual errors that originate from the lack of relationship among variables rather than the non-accommodation of data characteristics of the regression method (Hair et al., 2010). The assumptions include multicollinearity, normality, and homoscedasticity (Hair et al., 2010; Gujarati, 1995). These assumptions are explained in detail in the following sub-sections.

#### 4.7.1.1 Checking the Multicollinearity

According to Hair et al. (2010), the level of the variable's effect that is explainable through other variables is referred to as multicollinearity. The increase in the level of multicollinearity results in the increase in the level of difficulty of interpreting the effects of different variables. In the present study, the researcher employed the tolerance value and the Variance Inflation Factor (VIF) to determine the occurrence of multicollinearity among variables. In this regard, tolerance refers to the variability of the variable that is unexplainable by the other variables (Hair et al., 2010), while the VIF indicator refers to the reciprocal element of the tolerance variable.

The study variables' tolerance values ranged between 0.62 and 0.85 and the values of VIF ranged between 1.17 and 1.62 as displayed in Table 4.13. The entire tolerance values

are greater than 0.1 while the VIF values all fall below 10 as recommended by Hair et al. (2010). The values show that both sets of values fall within the range recommended in literature and as such, it can be stated that multicollinearity issue is non-existent.

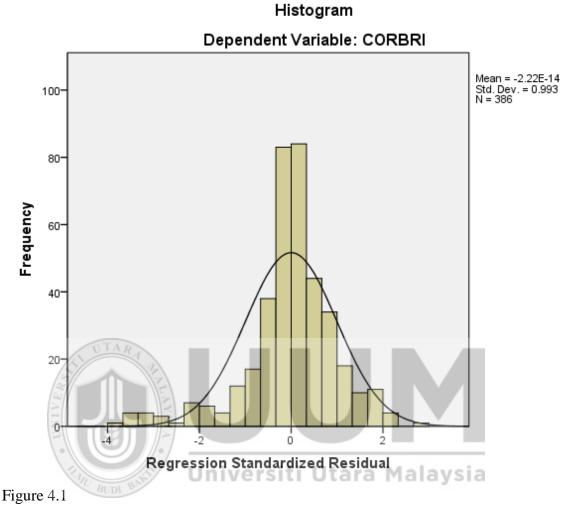
Table 4.13 *MulticollinearityTest* 

Variables	<b>Tolerance Value</b>	VIF
Training And Development (TD)	0.853	1.172
Career Development (CD)	0.680	1.471
Salary And Benefits (SB)	0.625	1.601
Performance Appraisal (PA)	0.615	1.625
Affective Commitment (AC)	0.717	1.395
a. Dependent Variable: Corruption And Bribe	ery	

Moreover, the tolerance values of independent variables are displayed in Table 4.13 and it is clear from the table that they are all more than 0.10 while their VIF values all fall below 10 indicating that the assumption of multicollinearity is met. Thus, the researcher concluded that the issues of outliers and multicollinearity do not exist.

# 4.7.1.2 Testing the Normality of the Error Terms

Linearity refers to the residuals that form a straight line relationship with the predicted scores of the dependent variables (Pallant, 2011). In the present study, linearity was confirmed via the use of scatter plots. More specifically, the researcher made use of the histogram and normality probability plot (p-p plots) and the komagorovsmiron, skewness and kurtosis values to establish normality. Figures 4.1 and 4.2 presents the results and according to the tables, data distribution was confined to the normal curve indicating that data has normal distribution.



Histogram of the Regression Residuals

For further confirmation, normality was also investigated through indicators of skewness and kurtosis, where normality reflected a symmetrical curve with the highest scores frequency located on the extremes, in the small and middle range frequency (Pallant, 2005). Prior studies (Kline, 1998; Pallant, 2005) stated that normal scores distribution for dependent as well as independent variables can be identified via the skewness and kurtosis values. The construct's nature in social sciences is considered to possess many scales that could result in positive or negative skewness (Pallant, 2005). Additionally, the scores distribution is also gauged through the values of kurtosis – where kurtosis refers to the level to which observations are collected around the central mean.

Significant to this, Hair et al. (2010) established that the values of skewness that lie outside the range of +1 and -1 are deemed to be skewed in their distribution. Meanwhile, Kline (1998) stated the cut-off value to be between +3 and -3. Based on the above laid down cut-off ranges, the skewness values suggested by Kline (1998) (+3 to -3) were met by the present study values but that of Hair et al. (2010) was rejected. Similarly, the values of kurtosis recommended by Coakes and Steed (2003) (ranging between +3 and -3) were met as presented by the values in Table 4.14. Based on the obtained results, some of the value of skewness showed deviation from normal distribution.

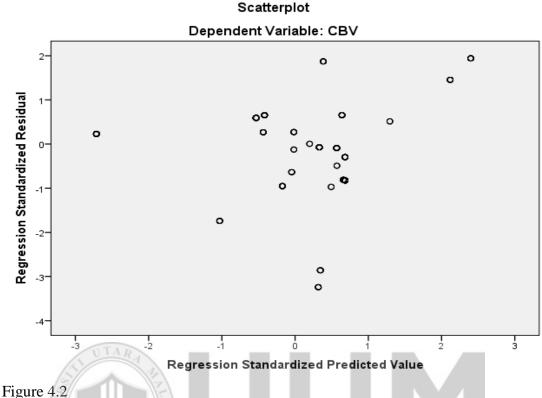
Variable	Ind	licator Statistic	Std. Error
Training and	Skewness	3.88	0.12
Development	Kurtosis	Universi 26.56 tara	Malo.25 Sla
Career	Skewness	0.47	0.12
Development	Kurtosis	1.08	0.25
Salary and	Skewness	-0.55	0.12
Benefits	Kurtosis	-0.48	0.25
Performance	Skewness	0.47	0.12
Appraisal	Kurtosis	1.07	0.25
Affective	Skewness	-1.14	0.12
Commitment	Kurtosis	2.76	0.25
Corruption and	Skewness	-1.52	0.12
Bribery	Kurtosis	3.63	0.25

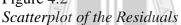
 Table 4.14

 Testing Normality using Skewness and Kurtosis

#### 4.7.1.3 Homoscedasticity

Homoscedasticity assumption is linked to the non-response bias. However, non-response bias is a non-issue in this study because of the suitable sample selection (according to Bryman & Bell, 2007) and of the accurate response timing.





An unclear relationship exists between the predictor regression values and residuals as evident from Figure 4.2. The study variables residual plots show no clear relationship between the two and this indicates non-issue when it comes to multiple regression analysis. Based on Hair et al.'s (2010) suggestion, no relationship between residuals and predicted values shows no issues that relate to assumptions (i.e. linearity, homoscedasticity, and independence of error terms).

According to the above discussion, the normality of error terms was confirmed after the assumptions were met. The study then conducted regression analysis through SPSS version 21 to test the hypothesised model's predictive power. Such analysis primarily determines the predictive power of each independent variable when it comes to their dependent counterpart.

To elaborate further, Hair et al. (2010) stated that the sample size directly affects the predictive strength of the multiple regression analysis. For the purpose of high reliability and validity results, they suggested the minimum observations to be 15 to 20 observations for every independent variable. According to them, the coefficient of determination ( $\mathbb{R}^2$ ) shows the model's measure of goodness as it clarifies the variance of the dependent variable as explained by its independent counterparts. As mentioned, the sample size of the present study is 386, and as such, it can be considered suitable for the multiple regression analysis. The outcomes of hypothesis testing are discussed in the next subsections.

#### 4.8 Testing of Hypotheses

After the validity and reliability of the instrument is confirmed, the researcher then conducted the testing of hypotheses and for this purpose, H1 to H4, and H6 to H9 were examined with the help of multiple regressions analysis, H5 was examined through regressions and H10 through mediation analysis. The final analysis determines if affective commitment mediates between dependent and independent variables, and if it does, whether it is partial or full mediation.

**4.8.1** Multiple Regression Analysis of the Training and Development, Career Development, Salary and Benefits, Performance Appraisal and Perception towards Corruption and Bribery

The relationship between perception towards corruption and bribery (dependent variable) and training and development, career development, salary and benefits and performance appraisal (independent variables) were determined through multiple regression analysis. Such analysis determines the influence level of the independent variables on the dependent variable in the context of RMP, Penang.

Table 4.15 displays the regression results of the relationship and it is evident from the table that the coefficient of determination ( $R^2$ ) is 37.5% and it shows a high model fit according to the suggestions provided by Cohen (1988).

Added to this, the validity of the model was confirmed by the F value, which is significant at 0.001 (F=57.10, p<0.001). Thus, this shows that independent variables (i.e. career development and salary and benefits) had good predictive power in explaining the dependent variable (i.e. perception towards corruption and bribery). Stated clearly, the independent variables (i.e. career development and salary and benefits) influenced the dependent variable (i.e. perception towards corruption and bribery).

First, the relationship between training and development and perception towards corruption and bribery was found to be not significant ( $\beta$ = 0.07, t value= -1.51, p<0.01) at the significance level of 0.01 and hence, Hypothesis 1 (H1) is rejected.

Second, the relationship between career development and perception towards corruption and bribery was found to be significant and positive at the significance level of 0.001 ( $\beta$ = 0.50, t value= 10.39, p<0.01) indicating support for H2.

Similarly, salary and benefits was found to be positively and significantly related to corruption and bribery at the 0.001 level of significance ( $\beta$ = 0.16, t value= 3.28, p<0.01) indicating support for H3.

Lastly, according to the results, no significant relationship was found between performance appraisal and perception towards corruption and bribery ( $\beta$ = 0.09, t value= 1.71, p>0.01) indicating that H4 is rejected.

#### Table 4.15

Results of Multiple Regression HRM Practices on the Perception towards Corruption and Bribery

Variables	Standardised Coefficients	t-value	Sig.
	Beta		
Training and Development (TD)	0.07	-1.51	0.13
Career Development (CD)	0.50	10.39	0.00**
Salary and Benefits (SB)	0.16	3.28	0.00**
Performance Appraisal (PA)	0.09	1.71	0.09
$\mathbb{R}^2$			0.38
Adjusted R <sup>2</sup>			0.37
F-value			57.10
F-Significant			0.00
** Significant at the 0.01 level (2-tailed)			
* Significant at the 0.05 level (2-tailed)			

#### 4.8.2 The Relationship between Affective Commitment and Perception towards Universiti Utara Malaysia **Corruption and Bribery**

As for the hypothesised relationship between affective commitment, and perception towards corruption and bribery, the hypothesis reads:

H5: There is a positive relationship between affective commitment and perception towards corruption and bribery.

Standardised Coefficients Beta	t-value	Sig.
0.81	26.83	.000**
		0.65
		0.65
		719.75
	Coefficients Beta	Coefficients Beta

Table 4.16Results of Simple Regression of Affective Commitment on the Perception towardsCorruption and Bribery

\*\* Significant at the 0.01 level (2-tailed)

\* Significant at the 0.05 level (2-tailed)

In Table 4.16, the multiple regression analysis results regarding the above hypothesis are displayed. According to the results, the adjusted ( $R^2$ ) revealed that affective commitment explained 65% of the perception towards corruption and bribery indicating that the remaining 35% are explained by variables excluded from the model.

The model fit of the model was confirmed as the F value is higher than the 0.001 level of significance (F =719.75, p<0.001) and affective commitment was revealed to be a significant determinant of perception towards corruption and bribery at the level of significance of 0.01 ( $\beta$ = 0.81, t value= 26.83, p<0.01). This relationship confirms a direct influence of affective commitment on the perception towards corruption and bribery making the examination of the mediation impact of affective commitment logical. On the basis of this result, H5 is supported.

4.8.3 Multiple Regression Analysis of the Training and Development, Career Development, Salary and Benefits, Performance Appraisal and Affective Commitment

The relationship between the dependent variable (i.e. affective commitment) and the independent ones (i.e. training and development, career development, salary and benefits and performance appraisal) were examined to determine the level to which the independent variables influence the affective commitment of RMP. This relationship tests the sixth, seventh, eighth and ninth hypotheses (H6 to H9).

The regression outcome of the relationship is displayed in Table 4.17, and it is clear from the table that the coefficient of determination ( $R^2$ ) obtained is 29%. According to the results, the adjusted ( $R^2$ ) revealed that HRMP explained 28% of the affective commitment indicating that the remaining 72% are explained by variables excluded from the model. The model fit was verified with the significant F value at 0.001 significance (F value= 38.10, p<0.001). The results revealed good predictive power of independent variables in explaining the dependent variable. Stated clearly, career development, salary and benefits and performance appraisal influenced affective commitment.

Specifically, the relationship between training and development and affective commitment showed a no-significance ( $\beta$ = -0.04, t value= 0.90, p<0.05) at the 0.01 level of significance and thus rejecting Hypothesis 6 (H6).

With regards to the relationship between career development and affective commitment, significance relationship was found at ( $\beta$ = 0.015, t value= 3.02, p<0.01) and thus supported Hypothesis 7 (H7).

Moving on to the salary and benefits and affective commitment relationship, it was found to be positive and significant at the level of 0.001 significance ( $\beta$ = 0.31, t value= 6.00, p<0.01) and as such, Hypothesis 8 (H8) is supported.

Lastly, there is a significant relationship among performance appraisal and affective commitment ( $\beta$ = 0.17, t value=3.22, p>0.01) and thus, Hypothesis 9 is supported.

Table 4.17

*Results of Simple Regression of Affective Commitment on the Perception towards Corruption and Bribery* 

Variables	Standardised Coefficients Beta	t-value	Sig.
Training and Development (TD)	0.04	0.90	0.37
Career Development (CD)	0.16	3.02	0.00**
Salary and Benefits (SB)	ersi <sup>0.31</sup> 0.17 Utara	6.00	0.00**
Performance Appraisal (PA)	ersi <sub>0.17</sub> utara	3.22	0.00**
R <sup>2</sup>			0.29
Adjusted R <sup>2</sup>			0.28
F-value			38.10
F-significant			0.00

\*\* Significant at the 0.01 level (2-tailed)

\* Significant at the 0.05 level (2-tailed)

# 4.9 The Mediating Effect of Affective Commitment on the Relationship between

### HRM Practices and Perception towards Corruption and Bribery

The hypothesis regarding this relationship proposes that affective commitment mediates

the HRM practices antecedents-corruption and bribery relationship. For the purpose of

examining this relationship, Baron and Kenny's (1986) method and the Soble Test were

employed.

With this method, the influence of independent variables on the dependent variable has to be significant and the influence of the independent variables on the mediator variable, along with the influence of the mediator on the dependent variable should also show significance. These conditions have to be established before concluding the mediating influence.

Full and partial mediation can be determined by examining the effect of independent variable on the dependent one, while simultaneously including the mediator into the relationship. A significant influence indicates partial mediation while a diminished influence indicates a complete or full mediation.

The direct relationship between the independent variables and the dependent variable is presented in Figure 4.3 without including the mediating effect. This relationship is presented by (c), where the coefficient value was found to be 0.68 showing high significant impact at the level of significance of 0.01 as mentioned previously in the direct impact discussion.

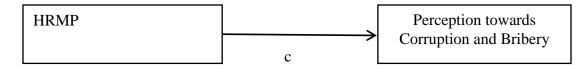


Figure 4.3

The Direct Relationship between HRMP and Perception towards Corruption and Bribery

To reiterate, the mediating affect is hypothesised in H10, which reads:

H10: Affective commitment mediates the relationship between HRM practices and the Perception towards Corruption and Bribery.

С Hypothesis c' Decision В А HRMP AC --> CB HRMP HRMP --> --> --> AC CB CB 0.76\*\* HRMP ---->AC ---0.81\*\* 0.68\*\* 0.68\*\* Partial Mediation --> CB

Table 4.18The Inputs of the Mediation Analysis

HRMP = HRM Practices; AC = Affective Commitment; CB = Corruption and Bribery. \*\*\* P < 0.01

After confirming the direct effect of the HRM practices on the perception towards corruption and bribery (a), the researcher examined the relationship between affective commitment and perception towards corruption and bribery (b) On the basis of the results presented in Table 4.18, it was found to be significant at the significance level of 0.01 and thus, the entire mediating conditions proposed by Baron and Kenny (1986) were satisfied.

Figure 4.4 shows the relationship between HRM practices (independent variables) and perception towards corruption and bribery (dependent variable) after including the effect of affective commitment (the mediating variable). This relationship is depicted by (c') and its value is 0.68 at the significance level of 0.01.

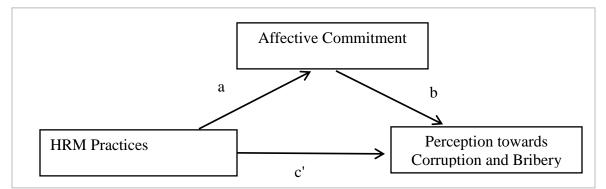


Figure 4.4

Mediating Effect of Affective Commitment on the Relationship between HRM Practices and Perception towards Corruption and Bribery

It is notable that the determination of partial or full mediation of affective commitment entails the determination of value of the significance of (c) or lack thereof as suggested by Baron and Kenny (1986). In this regard, a significant value shows partial mediation while a diminished one shows complete mediation. Based on the results, affective commitment partially mediates between HRM practices and perception towards corruption and bribery (Table 4.19).

The researcher also employed the Sobel test to determine the mediation impact of affective commitment on the HRM practices-perception towards corruption and bribery relationship.

The steps taken to test the indirect path between affective commitment and perception towards corruption and bribery showed no significance at 0.03 indicating rejection for the mediating effect of affective commitment on the relationship between HRM practices - perception towards corruption and bribery relationship. This indicates partial mediation for Hypothesis 10 (H10).

#### Table 4.19

Mediating Effect of Affective Commitment on the Relationship	between HRM Practices
and Perception towards Corruption and Bribery	

	Α	В	С		c'		Decision	Sobel t	est
Hypothesis	HRMP> AC	AC> CB	HRMP - CB	>	HRMP CB	>		P Value	Decision
HRMP >AC> CB	0.28***	0.87***	0.48***		0.25***		Partial Mediation	0.03	Mediation

HRMP = HRM Practices; AC = Affective Commitment; CB = Corruption and Bribery. \*\*\* P < 0.01

Finally, the results of multiple regression analysis as well as mediation analysis are

presented in Table 4.20.

#### Table 4.20

Summary of Hypotheses Testing Analysis

Hypot hesis	Description	Expected	Finding	Decision
H1	There is a relationship between Training and Development and Perception towards Corruption and Bribery.	+/-	Non sig	Not Supported
H2	There is a relationship between Career Development and Perception towards Corruption and Bribery.		+Sig laysia	Supported
H3	There is a relationship between Salary and Benefits and Perception towards Corruption and Bribery.	+/-	+ Sig	Supported
H4	There is a relationship between Performance Appraisal and Perception towards Corruption and Bribery.	+/-	Non Sig	Not Supported
Н5	There is positive relationship between Affective Commitment and Perception towards Corruption and Bribery.	+	+ Sig	Supported
H6	There is a positive relationship between Training and Development and Affective Commitment.	+	Non sig	Not Supported
H7	There is a positive relationship between Career Development and Affective Commitment.	+	+ Sig	Supported
H8	There is a positive relationship between Salary and Benefits and Affective Commitment.	+	+ Sig	Supported
H9	There is a positive relationship between Performance Appraisal and Affective Commitment.	+	+ Sig	Supported
H10	The mediating effect of Affective Commitment on the relationship between HRM Practices and Perception towards Corruption and Bribery.	+/-	+ Sig	Partial mediation

#### **4.10 Chapter Summary**

This chapter presented the results of the study and provides a discussion of the instrument's reliability and validity. The factor analysis procedure was also explained and the values of Cronbach's alpha of the latent variables were calculated and discussed.

Following the factor analysis, the researcher tested the model according to the proposed hypothesis via multiple regression analysis. In addition, mediation analysis was conducted according to the steps proposed by Barron and Kenny (1986) and was further verified by the Sobel test in order to confirm the mediating effect of affective commitment. According to the findings, the hypothesised relationships (H2, H3, H5, H7, H8 and H9) were supported while affective commitment partially mediates between HRM practices and perception towards corruption and bribery (H10). The next chapter presents a detailed overview of the findings along with their related implications.

### Universiti Utara Malaysia

#### **CHAPTER FIVE**

#### CONCLUSION, DISCUSSION AND RECOMMENDATIONS

#### **5.0 Introduction**

This chapter provides a recapitulation of the major findings and outlines the implications of the study. Limitations of the study and suggestions for future research are also deliberated.

#### **5.1 Recapitulation of Major Findings**

The major significant findings from the ten hypotheses tested are presented in Exhibit

Exhibit 5.1 Summary of Major Findings

The summary of major findings introduces ten hypotheses in this study.

## Hypothesis 1: Universiti Utara Malaysia

Training and development has no relationship with the perception towards corruption and bribery.

#### **Hypothesis 2:**

5.1:

Career development has a positive relationship with the perception towards corruption and bribery.

#### **Hypothesis 3:**

Salary and benefits has a positive relationship with the perception towards corruption and bribery.

#### **Hypothesis 4:**

Performance appraisal has no relationship with the perception towards corruption and bribery.

#### Hypothesis 5:

Affective commitment has a positive relationship with the perception towards corruption and bribery.

#### **Hypothesis 6:**

Training and development has no relationship with affective commitment.

#### Hypothesis 7:

Career development has a positive relationship with affective commitment.

#### **Hypothesis 8:**

Salary and benefits has a positive relationship with affective commitment.

### Hypothesis 9:

Performance appraisal has a positive relationship with affective commitment.

#### Hypothesis 10:

Affective commitment partially mediates the HRM practices and the perception towards corruption and bribery.

#### **5.2 Discussion**

Section 5.1 provides a summary of significant results of the study. The hypotheses investigated in this study found some evidence with respect to the purpose of this study and confirmed the results of some previous studies.

The primary goal of the present study is to examine directly the relationship between Human Resource Management Practices (i.e. training and development, career development, salary and benefits and performance appraisal) and perception towards corruption and bribery among the officers and staff in the RMP, Penang. Moreover, this study examines the relationship between affective commitment and perception towards corruption and bribery. It also investigates the relationship between human resource management practices (i.e. training and development, career development, salary and benefits, performance appraisal) and affective commitment in the same context.

This study focuses on the mediating effect of affective commitment on the relationship between HRM practices and the perception towards corruption and bribery in the RMP of and through this research, attains theoretical as well as practical significance.

The data analysed were gathered through the questionnaire sent to RMP in Penang. A developed questionnaire was employed to investigate the significance of the HRM practices between the perception towards corruption and bribery as mediated by affective commitment. Primary data was collected through the personal survey instrument that was distributed to respondents to achieve the study objectives. In this regard, perception towards corruption and bribery are considered as the dependent variable, affective commitment as the mediating variable while HRM practices as the independent variables. The questionnaires were distributed to the RMP staff, Penang,

The questionnaire is divided into two sections (refer to Appendix A); section 1 relates to the demographic information of the RMP staff and covers gender, age, level of education, experience and the position of employee's. Section 2 contains 76 items that are categorised into 53 items to measure the HRM practices, where 8 items are used to measure affective commitment and 15 items are used to measure the perception towards corruption and bribery.

In Penang, an approximate of 5,647 police officers and RMP staff are considered as the study population. On the basis of the sample size determination as suggested by Krejcie and Morgan (1970), based on the population of 5,647, the total number of respondents should at least be 361 and as such, 700 questionnaires were distributed. From the total number of 700 questionnaires, 412 questionnaires were returned, out of which 26 were dropped owing to incomplete answers, making the total final sample to be 386 (55.14%), in consistent with Krejcie and Morgan's (1979) sample size recommendation.

The present study has three objectives. The first is to examine the relationship between human resource management practices (i.e. training and development, career development, salary and benefits, performance appraisal) and perception towards corruption and bribery among police officers and staff at the RMP, Penang. The next is to determine the relationship between human resource management practices (i.e. training and development, career development, salary and benefits, performance appraisal) and affective commitment among police officers and staff at the RMP, Penang. Finally, it is to determine the mediating effect of affective commitment on the relationship between HRM practices and perception towards corruption and bribery in the RMP, Penang.

The research framework and the hypotheses of the study both have their own basis on motivation theory as the relationships between the studied variables are grounded on it. The following sections deliberate the results presented in Chapter Four in line with the theoretical perspectives and empirical work presented in Chapter Two.

### 5.2.1 The Human Resource Management Practices and Perception towards Corruption and Bribery

One of the major findings in this study is the relationship between human resource management practices and the perception towards corruption and bribery among RMP in Penang. The human resource management practices variables were derived from the empirical studies and there are training and development, career development, salary and benefits and performance appraisal.

#### 5.2.1.1 Training and Development and Perception towards Corruption and Bribery

Deriving from relevant studies in literature, the researcher proposed a relationship amongst training and development and perception towards corruption and bribery in the context of the RMP, Penang. According to the statistical findings, a negative and insignificant relationship was discovered between training and development and perception towards corruption and bribery at a significant level of 0.13 ( $\beta$ = 0.07, t value= -1.51, p<0.01) indicating the rejection of the first hypothesis.

Training and development is said to become a regular point of entry into any organisation (Goldstein, 1980a). Sparrow (1998) on the other hand stated that ability, understanding and awareness of the training and development are essential for an organisation in preparing their employee to undertake higher grade tasks, provide the conventional training of fresh recruits, raise efficiency of their performance and to meet the legislative

requirements such as does not commit any crimes, corruption and bribery. As such, this should suppose be true in the context of RMP. However, the study revealed that there is a negative and insignificant relationship between training and development perception towards corruption and bribery. This means that the RMP staffs feel that their training and development so far does not have the impact on corruption and bribery. This may be due to insufficient training and development given to them. Hence, it seems that the objective of the training and development given by the RMP so far does not achieve the target and objective in the right direction. RMP should consider investing more in a specific training and development such as following Singapore Police Force SPF) experience, whereby the Singapore government under the People's Action Party have gave its full commitment to curb corruption by introducing "Values Training" for the basic training courses for both junior and senior police officers. This training consists of 40 hours of instruction in the code of conduct, police regulations, and government instruction manuals. The training includes case studies of police officers that found to be guilty of corruption. This aspect of training is said to be an important measure adopted by the SPF to combat corruption. Hopefully with such a training that are focused on anticorruption and anti-bribery to RMP staffs and officers, they are more aware on the corruption and bribery issues related.

### 5.2.1.2 The Relationship between Career Development and Perception towards Corruption and Bribery

A relationship between career development, and perception towards corruption and bribery among the RMP, Penang was proposed in this study. The results showed a positive and significant impact of career development on corruption and bribery at the significance level of 0.00 ( $\beta$ = 0.50, t value= 10.39, p<0.01) indicating that career development have a relationship on the perception towards corruption and bribery of the employees. This result supports the second hypothesis (H2) and previous studies (Aryee et al., 1994; Firkola, 1996) among others.

Such positive relationship between career development and perception towards corruption and bribery in the context of the RMP, Penang may be linked to the fact that human resources programs are easier to be implemented and their affect can be immediately noted. Such programs include the provision of attractive benefits to employees as opposed to altering their perceptions of the company's policies, culture and practices. Hence, the study recommends that human resource managers develop a career development plan that improves the commitment of the employees towards the organisation and eventually limit the cases of corruption and bribery.

In the past, it has often been presumed that all employees want the same thing in their career, which is to have a direct ascendance to the organisational echelons (Fink, 1992). It has been however evidenced that career development is not confined to getting ahead but instead it is to obtain the best that an individual can be and pinpointing it to a place in the firm where individuals can display excellence and achieve the organisational goals. Career development covers vertical issues like promotions and upward mobility as well as horizontal issues like lateral job transfers in the firm. It also tackles the basic nature of the individuals' relationship with their work and colleagues. A clarified plan of action serves to bring about prepared employees for the future and maintains the ability of the organisation in satisfying existing and future requirements.

### 5.2.1.3 The Relationship between Salary and Benefits and Perception towards Corruption and Bribery

One of the hypothesis of the study is that a positive relationship exists between salary and benefits and perception towards corruption and bribery among the officers and staffs of RMP and the results revealed a positive and significant relationship at the significant level of 0.00 ( $\beta$ = 0.16, t value= 3.28, p<0.01). This indicates that the third hypothesis (H3) is supported.

The positive association between salary and benefits and perception towards corruption and bribery may be attributed with the argument that salary and benefits with the inclusion of the overall rewards system (formal and informal) is the impetus behind the perception towards corruption and bribery. Employees who are given proper salary and benefits have a higher commitment and might not intend to corruption and bribery. Therefore, it is important for RMP to make use of their salary and benefits budgets in an effective way in ensuring that their top performers will not easily turn to corruption and bribery. This study supports previous studies (Chew & Chan, 2008; Vandenberghe & Trembley, 2008).

### **5.2.1.4** The Relationship between Performance Appraisal and Perception towards Corruption and Bribery

A positive relationship was proposed by the present study between performance appraisal and perception towards corruption and bribery among the RMP officers and staffs of Penang. According to the results, there is a positive but insignificant relationship between performance appraisal and perception towards corruption and bribery at 0.09 ( $\beta$ = 0.09, t value= 1.71, p>0.1) indicating the rejection of the fourth hypothesis (H4).

The insignificant result is justified by the fact that owing to the difficulties experienced by the police officers, conflict is created between them and their supervisors that are maintained through the long-run (Lawler, 1994). Employees are often dissatisfied with their performance feedback and the performance reviewing process as a whole (Elicker, Levy & Hall, 2006) and as such, the reviews are also not effective in changing the way people work in improving their performance, motivating or guiding personal development of employees (Keeping & Levy, 2000). Therefore, the RMP should change their performance appraisal so as to change the perception of RMP staff and officers during their evaluation performance; and hence are more inclined not to take part in extra-role behaviour such as corruption and bribery.

### 5.2.1.5 The Relationship between Affective Commitment and Perception towards Corruption and Bribery

The study has proposed a positive relationship between affective commitment and perception towards corruption and bribery among the RMP officers and staffs in Penang. The results supported a positive and significant relationship between affective commitment and perception towards corruption and bribery at the significant level of 0.00 ( $\beta$ = 0.81, t value= 26.83, p<0.01) indicating that the fifth hypothesis (H5) is supported.

Such positive and significant relationship discovered between affective commitment and perception towards corruption and bribery among police officers and staff of the RMP,

Penang may be attributed by the attitudinal commitment which focuses on the process upon which how people perceive their relationship with the organisation. It can thus be considered as a mind-set wherein every individual consider the level to which their values and aims are aligned with those of the organisations vision and mission. The RMP officers and staffs are emotionally rooted in the organisation that bind them to the organisation, which results in more a commitment to stay and hence hopefully lower corruption and bribery.

### 5.2.1.6 The Relationship between Training and Development and Affective Commitment

One of the hypothesis stated that a positive relationship exists between training and development and affective commitment of police officers and staff in the RMP, Penang. However, according to the results obtained, a positive but insignificant relationship was found between the two variables at the significant level of 0.37 ( $\beta$ = 0.04, t value= 0.90, p<0.05). In this regard, hypothesis six (H6) was rejected.

The insignificant result between training and development, and affective commitment can be linked to the suggestion that training and development has no impact on the rate of employees' intention to stay and improve their commitment as well in the case of RMP. This may be due to the fact that the RMP officers and staffs perceived their current training and development does not trigger or renewed any interest in any aspect of their current related job. Therefore, RMP should develop training that involves the employee's development of skills specified to the organisation's advantage.

#### 5.2.1.7 The Relationship between Career Development and Affective Commitment

This study proposed a positive relationship between career development and affective commitment among the police officers and staff of the RMP, Penang. The results showed a positive and significant relationship at 0.00 ( $\beta$ = 0.16, t value= 3.02, p<0.01) indicating that hypothesis seven (H7) is supported.

This significance between the two variables can be caused by the notion that commitment to career development influences the behaviour of individuals in that committed individuals are often inclined to spend more time in skills development, and less inclination towards withdrawing from their careers. Such individuals are inclined to leave the organisations for greener pastures if the career opportunities within are minimal.

Added to this, career development is addressed in the present study and is proposed to influence the level of affective commitment among the police officers and staff of the RMP, Penang. Employees perceiving that organisations adhere to career-oriented employee practices and policies would be more psychologically attached to their organisation and hence are unlikely to involve in corruption and bribery.

#### 5.2.1.8 The Relationship between Salary and Benefits and Affective Commitment

A positive relationship was hypothesised in this study between salary and benefits, and affective commitment of police officers and staff of the RMP, Penang. The results of the study gain evidenced that a positive and significant influence of salary and benefits upon affective commitment have a significant level at 0.00 ( $\beta$ = 0.31, t value= 5.99, p<0.01)

indicating that salary and benefits has a relationship with the perception of affective commitment among employees. This result supports the eighth hypothesis (H8).

The positive association between salary and benefits on the effect of police officers and the staff of the RMP are linked to the fact that salary and benefits cover the whole rewards system (formal and informal) and is the impetus behind the effective attraction, retention, and encouragement of talented human resource in the workplace. The salary and benefits systems of RMP hence, has attract and retain employees to motivate them to increase their effort and commitment towards the achievement of organisational goals (Bergmann & Scarpello, 2001).

## 5.2.1.9 The Relationship between Performance Appraisal and Affective Commitment

The researcher has proposed a positive relationship between performance appraisal and affective commitment among the officers and staff of the RMP, Penang. Hence, the result obtained showed a significant effect of performance appraisal on affective commitment at 0.00 ( $\beta$ = 0.17, t value= 3.22, p<0.01) – an outcome that supports the ninth hypothesis (H9).

The positive significant relationship between the two variables as displayed by the RMP may be related to the possibility of performance appraisal is enhanced by complementary HRM practices like formal training and incentive pay which will improve the level of commitment. Consequently, the performance appraisal frequently can change the way people work, and in improving their performance, motivating and guiding their personal progress (Keeping & Levy, 2000).

### 5.2.1.10 The Mediating Effect of Affective Commitment on the relationship between HRM Practices and Perception towards Corruption and Bribery

The tenth hypothesis proposed the mediating effect of affective commitment on the relationship between HRM practices and perception towards corruption and bribery among the police officers and staff of the RMP, Penang. The researcher conducted an analysis of this mediating effect with Baron and Kenny's (1986) mediation analysis coupled with the Soble Test.

The result revealed that affective commitment partially mediates the relationship between HRM practices perception towards corruption and bribery indicating that the tenth hypothesis (H10) is supported.

This mediating effect of affective commitment on the HRM practices and perception towards corruption and bribery are due to the fact that affective commitment is the only organisational commitment type that may positively influence the well-being of employee's and negatively influence stress and conflict between work and family (Meyer et al., 2002). In conclusion, organisations and employees may take advantage from the initiatives established by the organisation that can positively affect the levels of affective commitment among employees.

On top of this, affective commitment is the most extensively acknowledged type of psychological attachment to an organisation as evidenced by Jaramilo, Mulki and Maseshall (2005) owing to its relationship with positive outcomes. Moreover, there are several studies dedicated to commitment that maintained focus on the affective commitment area (Mohamed, Taylor & Hassan, 2006).

More importantly, commitment refers to the process by which people perceive their relationship with the organisation and in several ways, can be described as the individuals mind set to the level of alignment between their values and goals, and those of the organisation's aims and vision.

#### 5.3 Contributions of the Study

The primary goal of the present study is to examine the relationship between training and development, career development, salary and benefits, performance appraisal and perception towards corruption and bribery of the officers and staff of the RMP in Penang. Moreover, the study aimed to shed a light on the association between affective commitment and perception towards corruption and bribery in the same context. In addition to that, the study examined the connection between training and development, career development, salary and benefits, performance appraisal and affective commitment of the officers and staff of the RMP in Penang. As for the mediating effect, the study examined the mediating effect of affective commitment on the relationship between HRM practices and perception towards corruption and bribery in the RMP in Penang. The study objectives and achievement lead it to contribute to both theory and practice.

#### 5.3.1 Theoretical Contributions

Diagnosing and determining the roots of the problem from problem solving and as such, the present study attempts to provide an insight into the factors influencing corruption to determine either the HRM practices can enhance affective commitment, and in turn, alleviate corruption and bribery.

Corruption refers to the abuse of public office for personal advantage and is a permeating feature in human societies since the beginning of time. Current corruption scandals arise in developing nations such as Malaysia, Nigeria, India and China where corruption is rampant but evidently it also exists in the USA, the U.K. and France. In the context of the U.K., the sale of parliamentary seats in England prior to the Reform Act 1832 and the machine politics in American cities in the late 19<sup>th</sup> century and early 20<sup>th</sup> century gave two historical evidence regarding corruptions in developed nations. Nordic countries are also not immune to such scandals despite having the reputation of being transparent managers of state-owned companies. Even they were evidenced to take bribes.

Public sector corruption is a major barrier towards the development of the economy (Graeff & Svendsen, 2013). Strong evidence provided by Assiotis and Sylwester (2013) showed the negative impact of corruption on investment, growth of the economy, quality of the environment as well as social welfare, among others. In relation to this, Malaysia is negative impacted by corruption and such reasons are what motivates the researcher to carry out the present study in an attempt to examine the factors that can enhance policies dedicated to anti-corruption.

The present research findings are crucial to many HRM practices required to achieve affective commitment in the country in order to limit the phenomenon of corruption and bribery.

With regards to the study's theoretical significance, this study attempts to fill the theoretical gap in literature concerning the HRM practices in the context of RMP, Penang.

#### **5.3.2 Practical Contributions**

The present study's findings can be valuable to the upper management and HRM managers and practitioners in their task of designing HRM practices within a specific strategic circumstance. The results can be use in enhancing affective commitment in the quest to minimise the phenomenon of corruption and bribery.

This study created an opportunity for the researcher to apply knowledge into practice in this specific field. It is through practical means that one can be convinced to undertake future work in the academy and industry. This study also highlighted the employees' perception, and in so doing, opens up an opportunity for employees to provide their true feedback of HRM practices and affective commitment that can be adopted by the management of the RMP, Penang in their quest to minimise the cases of corruption and bribery.

HRM practitioners in the RMP can understand through the present study as to the impact of the HRM practices on the commitment of employees towards the organisation in an attempt to minimise corruption and bribery cases that has become rampant in Malaysia. This allows practitioners to stress more on factors that contributes the most. The study furnishes ideas of how human resource professionals can introduce organisational initiatives that works towards increasing employee commitment, creating their loyalty, enhancing their positive work culture and improving organisational performance on the whole.

### 5.4 Limitations of the Study

The current study and its findings have practical and theoretical implication. Judging from the findings, limitations are discernible. The first study limitation is linked to the focus of the study which is the RMP, Penang, with the exclusion of other areas. Despite the fact that the RMP constitutes a considerable portion of the Malaysian Police sector, the results generalises towards the public or private firms. It should be dealt with caution owing to the various levels of technological developments and leadership reinforcements in the sectors.

The second limitation is that the study the cross-sectional design that is catered towards examining the phenomenon at a single point in time. To this, end, the psychological human aspects are dynamic and continuously evolving and as such, a longitudinal design is called for to obtain enriching and varied results. Furthermore, longitudinal studies should be conducted to investigate the effect training and development, career development, salary and benefits, performance appraisal and affective commitment and their relationship with corruption and bribery. Moreover, this study investigates the relationship between training and development, career development, salary and benefits, performance appraisal and affective commitment, as well as the mediating impact of affective commitment on the HRM practices-perception towards corruption and bribery relationship. The next limitation is related to the focus on Malaysia. There are other studies that focus on other developing nations such as Thailand, Singapore and Indonesia in order to improve the policy market in terms of the HRM determinants relationship with the corruption and bribery as mediated by affective commitment.

Another limitation is attributed to the limitation in variables. Future studies could examine other relevant variables that could contribute to minimise the cases of corruption and bribery like organisational loyalty. Other mediating variables could also be selected to examine the factors that can influence on the perception towards corruption and bribery.

Finally, this study is limited in that it is the pioneering study to examine the relationship in this context and therefore, benchmarking and comparing to similar studies is impossible. In this regard, future studies can conduct a similar study to provide a deeper insight into the studied factors for comparability and added contribution to literature.

## **5.5 Suggestions for Future Research**

The present study creates further avenues for future work with the first being that the study was conducted through a cross-sectional design. Considering the variables (training and development, career development, salary and benefits, performance appraisal and affective commitment, perception towards corruption and bribery), a longitudinal study design may be conducted to provide more enriching findings. A longitudinal design is capable of developing variables over time to determine the dynamic changes in the relationships among variables.

Based on the second limitation, the researcher's observation confined the nature of relationships and its affect between variables. This calls for a further in-depth analysis and investigations of the same variables' dynamic impacts on corruption and bribery and the mediating impact of affective commitment.

Next, the mediating impact of affective commitment was studied in the relationship between the study variables (training and development, career development, salary and benefits, performance appraisal) with the perception towards corruption and bribery. Future studies may further supplement this research paper by including variables like loyalty, trust and corporate image to stress on their importance in organisational transformation prior to the implementation of strategies.

Future studies can also focus on the neighbouring countries such as Thailand, Singapore and Indonesia to contribute to the enrichment of the study variables in a quest to minimise corruption and bribery in these countries.

Fifth, the affective commitment's mediating effect, as stated, was examined between the HRM practices antecedents and corruption and bribery. In this regard, there are other variables that may have a mediating impact on the same variable sets. Future studies can examine them to contribute to the literature dedicated to the minimisation of corruption and bribery.

This study is confined the use of the Herzberg's Two Factor theory, and hence, other studies can use other alternative theories to shed a light on how to mitigate corruption and bribery phenomenon.

Lastly, on the basis of the results, the R-square equals to 37.5%, which indicates that the variables have already explained 37.5% of the perception towards corruption and bribery – the rest are explained by other variables that can minimise corruption and bribery. Such variables can be focused by future studies.

# **5.6 Conclusion**

The main objective of this research paper is to examine the relationship between training and development, career development, salary and benefits, performance appraisal and perception towards corruption and bribery in the RMP. Moreover, this paper aims to examine the association between affective commitment and perception towards corruption and bribery in the RMP. Affective commitment was proposed to be a mediating variable between HRM practices and perception towards corruption and bribery and through this achievement attains a theoretical as well as practical significance.

The relevant employed theories include the Herzberg's Two Factor theory. Some prior studies support this study's hypothesised relationships between the variables, whereas others has rejected them. Although the strategies employed in this study are based on Western theories, the findings can be considered to be important to development countries when it comes to providing an insight into the phenomenon of corruption and bribery particularly among the police officers and staff of the RMP, Penang.

On a final note, this study has shown a positive and significant relationship of career development, salary and benefits and the perception towards corruption and bribery.

Along the same line, a positive and significant relationship was revealed between affective commitment and the perception towards corruption and bribery as well as between career development, salary and benefits, performance appraisal and affective commitment. However, a partial mediation of affective commitment was revealed between HRM practices and perception towards corruption and bribery.



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