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**ETHICS AND INTEGRITY IN FINANCIAL
MANAGEMENT: AN EXPLORATORY STUDY
ON STUDENT AFFAIRS DEPARTMENT
OF UNIVERSITI UTARA MALAYSIA**



MASTER OF SCIENCE (MANAGEMENT)

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**ETHICS AND INTEGRITY IN FINANCIAL MANAGEMENT:
AN EXPLORATORY STUDY ON STUDENT AFFAIRS DEPARTMENT
OF UNIVERSITI UTARA MALAYSIA**



**BY
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UUM
Universiti Utara Malaysia

**THESIS SUBMITTED TO MASTER OF SCIENCE MANAGEMENT
UNIVERSITI UTARA MALAYSIA
IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE
MASTER OF SCIENCE (MANAGEMENT)**



**Pusat Pengajian Pengurusan
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SCHOOL OF BUSINESS MANAGEMENT

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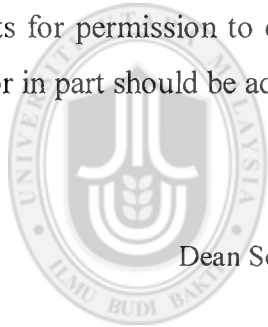
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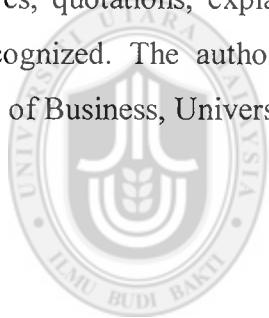
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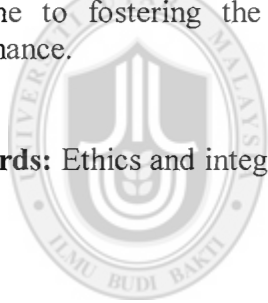
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Abstract

Ethics and integrity has appeared to be one of the most important issues in managerial field across the globe. Due to the tremendous challenges in managerial field particularly in financial management, the need of high standard ethics and integrity is essential towards better organisation performance. Literatures have revealed the ethical violation in organisation in financial management is not only negatively affecting the organisation performance yet it could lead to bankruptcy. To ensure the implementation of high ethics and integrity of organisation particularly in organisation culture, as well as in leadership and ethics training, there is a need for evaluation of its implementation. This study aims to evaluate the implementation of ethics and integrity and how it contributes towards organisation performance. A real case study which is HEP UUM was used to fulfil the aims of this study. Mix method approach was applied for data collection which involved questionnaire and interview. The findings indicate that ethics in organisation culture, leadership and also training contributes much towards HEP UUM financial management performance. Results also illustrate that most of the employees believe that their organisation do have a proper ethical and ethics in term of organisation culture, leadership and ethics training in financial management. This finding could be used by the HEP UUM as guideline to fostering the implementation of ethics and integrity for a better performance.

Keywords: Ethics and integrity, organisation performance, financial management.



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Abstrak

Etika dan integriti telah menjadi salah satu isu penting di dalam bidang pengurusan merentasi dunia. Disebabkan cabaran di dalam bidang pengurusan terutamanya di dalam pengurusan kewangan, keperluan standard etika dan integriti yang tinggi adalah penting ke arah prestasi organisasi yang lebih baik. Kesusasteraan telah membuktikan sebarang pencabulan etika terutamanya di dalam pengurusan kewangan bukan sahaja menjejaskan prestasi organisasi malah boleh membawa kepada kebangkrapan organisasi. Bagi memastikan pelaksanaan etika dan integriti yang tinggi di dalam organisasi terutamanya di dalam budaya organisasi, kepimpinan dan, latihan etika, ianya perlu dilakukan penilaian bagi menilai pelaksanaannya. Kajian ini bertujuan untuk menilai pelaksanaan etika dan integriti dan, bagaimana ia menyumbang kepada prestasi organisasi. Kes kajian iaitu HEP UUM telah digunakan bagi memenuhi matlamat kajian ini. Kaedah campuran kualitatif dan kuantitatif digunakan dalam mengumpul data yang melibatkan soalan kajian dan temuramah. Hasil kajian ini menunjukkan etika dan integriti di dalam budaya organisasi, kepimpinan dan, latihan banyak menyumbang ke arah prestasi pengurusan kewangan HEP UUM. Hasil kajian juga menjelaskan kebanyakan daripada kakitangan percaya bahawa organisasi mereka terutamanya dari sudut budaya organisasi, kepimpinan dan, latihan mempunyai nilai etika dan integriti yang tinggi di dalam pengurusan kewangan. Penemuan ini boleh dijadikan sebagai garis panduan bagi HEP UUM dalam meningkatkan pelaksanaan etika dan integriti bagi pembangunan prestasi yang lebih baik.

Kata Kunci: Etika dan integriti, prestasi organisasi, pengurusan kewangan.

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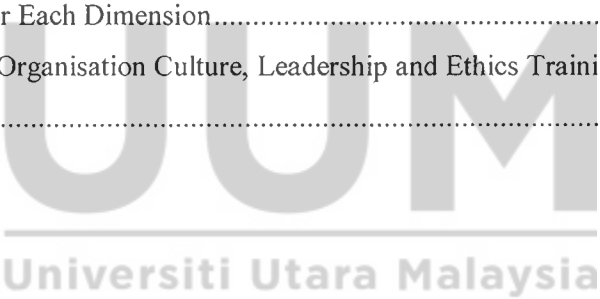
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List of Abbreviations

BIS	:	Behavioural Integrity Scale
CIAQ	:	Corporate Integrity Assessment Questionnaire
CPI	:	Corruption Perceptions Index
HEP UUM	:	Student Affairs Department
IIM	:	Malaysian Institute of Integrity
MACC	:	Malaysian Anti-Corruption Commission
NIP	:	National Integrity Plan
PLIS	:	Leader Integrity Scale (PLIS)
SPRM	:	Suruhanjaya Pencegahan Rasuah Malaysia



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CHAPTER ONE

INTRODUCTION

1.1 Research Background

Instead of just focusing on promoting rapid development of Malaysian economy, achieving the high standard of ethics and integrity among the human resources in public and private sector also has become a part of national agenda towards vision 2020 (National Integrity Plan, 2007). Thus, several efforts have been taken by the government to enhance the adoption of ethics and integrity among the citizen. For examples, the establishment of Malaysian Anti-Corruption Commission (MACC) and also the development of National Integrity Plan (NIP) in 2004. The main objective of NIP is to ensure the development of economy is parallel with the development high standard of ethics and integrity.

Consequently, in order to fulfil the objective of NIP, an establishment of Malaysia Institute of Integrity (IIM) has been done. IIM is responsible for monitoring and increasing awareness of ethics and integrity among companies and organisations. Unlike the IIM, the Malaysian Anti-Corruption Commission (MACC) or better known as Suruhanjaya Pencegahan Rasuah Malaysia (SPRM) is responsible to deal with any unethical behaviour or cases among the public and private organisations. The recent statistics from Corruption Perceptions Index (CPI) has placed Malaysia in 50th out of 175 other countries in the world with score of 50. The CPI of Malaysia in 2014 has decreased compare to 2014, 2013 and 2012 with the score of 52, 50 and 49 respectively.

The role of ethics and integrity has been widely discussed over the last decades across numerous fields. For example, ethics in public management (Bash, 2015), fostering ethic and integrity in finance and marketing disciplines (Bernardi, Melton, Roberts, & Bean, 2008), ethics and integrity in education (Kannaiah & Kumar, 2009), the value of ethics in military (Gregory, 2009) and ethics in business (Rossouw & Vuuren, 2010). As a result, ethics and integrity has been defined by various terms. However, under Malaysia's perspective, ethics and integrity has been generally defined as "a quality of excellence that is manifested in a holistic and integral manner in individuals and organizations. Integrity is based on ethics and noble values and their concrete manifestation in daily lives." (National Integrity Plan, 2007).

To date, researches of ethics and integrity role in organisational performance have gained prominence across the previous studies (Beeri, Dayan, Vigoda-Gadot, & Werner, 2013; Bishop, 2013; Brock, 2008; Jalil, Azam, & Rahman, 2010). These studies illustrated the importance of ethic and integrity towards organisation performance such as the supposition that adoption of ethics and integrity in organisation may lead to increasing employee performance, encourage collaboration and communication, promoting element of trust, reducing ethics climate and avoiding unethical behaviour such as corruption (Afedzie, 2008; Bello, 2012; Graham, 2013; Khan, 2012). Prior literatures has also suggested that a positive relationship between leadership, organisation culture, and ethics training with organisation performance (Liao & Teng, 2010; McCann & Holt, 2009; Valentine & Fleischman, 2004; Valentine, Godkin, Fleischman, & Kidwell, 2011; Vimba, Coetzee, & Ukpere, 2013). Moreover, with the competitive business environment,

the need of higher standard of ethics and integrity is essential in order to promote greater organisational productivity and performance (Wang, 2014). With these beneficial, numerous of researchers have put great effort into improving ethics and integrity in organisation (Afedzie, 2008; Al Ansari, Khanifar, Nazari, & Emami, 2012; Beeri et al., 2013; Bello, 2012; Ciulla, 2002; Park & Blenkinsopp, 2013; Sekerka, 2009; Singh & Singh, 2013). As a result, many organisations doubled their efforts to promote and implement ethics and integrity for example in the form of code of ethics.

The establishment of ethics code and the implementation of compliance programmes in organisation are not enough to provide high standard of ethic and integrity practice (Valentine & Johnson, 2005). Hence, there is a need of determined and evaluate progress of ethics and integrity system in organisation (Dubinsky & Richter, 2008; Valentine & Johnson, 2005). As a result, several of past studies have been performed in investigation of ethics and integrity evaluation (Craig & Gustafson, 1998; Dineen, Lewicki, & Tomlinson, 2006; Dubinsky & Richter, 2008).

In comparison with other field of management, the need of ethics and integrity in financial management is more crucial (Eko & Sri, 2015; Singh & Singh, 2013). Employee in financial basically involved with money related activities which has higher probability of unethical behaviour to take place. Any unethical violation within organisation financial management is not negatively affect the organisation performance, yet can also lead to bankruptcy (Eko & Sri, 2015; Singh & Singh, 2013). This is due to the role of financial management as a main function of every business or service weather in private company or government organisation. Thus,

this research aims to investigate the level of ethics and integrity system in place at the Student Affairs Department (HEP) of Universiti Utara Malaysia (UUM).

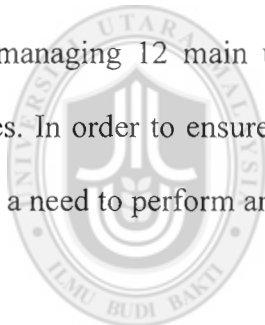
1.2 Problem Statement

The role of ethics and integrity in organisation performance has received and continue to receive attention as the years go by (Afedzie, 2008; Al Ansari et al., 2012; Beerli et al., 2013; Brown, Trevino, & Harrison, 2005). The establishment of high standard of ethics and integrity through organisation culture, leadership and ethics training has been proven effective towards increasing organisation performance (Brock, 2008; Kannaiah & Kumar, 2009; Liao & Teng, 2010; McCann & Holt, 2009; Park & Blenkinsopp, 2013). Several of the beneficial high standards of ethics and integrity in organisation have been addressed such as reducing ethic climate (such as employee turnover, and employee stress), increase collaboration and communicating among organisation employee, and promoting trust element (Bello, 2012; Ciulla, 2002; Park & Blenkinsopp, 2013). The adoption of ethics and integrity in organisation also has been considered as barrier between employee and unethical behaviour activities such as corruption.

The impact of unethical behaviour also has been clearly discussed in literature. Unethical behaviour in organisation is not only caused an ethics climate and ruin organisation image, yet violation of ethics in organisation also led an increasing of organisation cost (Nelson, 2008). Due to these aforementioned issues, most of organisation has established their ethics code and implement compliance programs. However, cases of unethical behaviour in organisation continued to take centre stage not only is business oriented organisation yet government organisation including

university. Hence, there is a need to determine and evaluate level of organisation ethics and integrity systems in organisation (Valentine & Johnson, 2005).

Recently, two of unethical cases in University Utara Malaysia (UUM) have been reported and still under investigation which each of the case involved RM 190, 000 and RM14 million (Ghazali, 2016). These cases have raised serious concern not only from university's management, but also from public. Thus, there is a crucial need to ensure the establishment of high standard ethic and integrity among the UUM employees particularly in financial related activities. HEP UUM has been chosen as a case study to fulfil the objective of this research. The main reason for this is because it is one of the main departments in UUM with biggest allocation of budget. HEP UUM managing 12 main units and 15 residential halls for student activities and facilities. In order to ensure the effectiveness of financial management in this units, there is a need to perform an evaluation of ethics and integrity in HEP UUM.



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1.3 Research Questions

The research questions derived from the main problem statement are as follows

1. What is the level of organisation culture, leadership and ethics training implementation in promoting ethics and integrity within the organisation?
2. Does leadership, culture and training influence each other?
3. How the current performance of HEP UUM?
4. How the organization culture, leadership and ethics training promotes ethical conduct towards financial organisation performance?

1.4 Research Objectives

The research objectives are listed as follows:

1. To evaluate level of organisation culture, leadership and ethics training implementation in promoting ethics and integrity within the organisation.
2. To determine the relationship between leadership, culture and training.
3. To explore organisation performance.
4. To explore organization culture, leadership and ethics training and how it promotes ethical conduct towards organisation performance.

1.5 Significance of Study

The contribution of this study is better understanding on how the implementation of ethics and integrity through organisation culture, leadership and ethical training could enhance the performance of HEP UUM performance. The result from this study is beneficial towards HEP UUM such as;

1. Increasing the awareness of ethics and integrity among HEP UUM leaders and employees.
2. Allow the HEP UUM to evaluate the level current practice of ethics and integrity and continue to improve towards high standard of ethics and integrity.
3. As a guide to developed best strategies to encourage the implementation of ethics and integrity among employees in HEP UUM organisation.

1.6 Organisation of the Thesis

This study is divided into five chapter starting with an introduction of research that consist of research background, problem statement, research objective, research questions and significant of research. This chapter is significant which developed the direction of the research. The introductions of issues lead to the formulation of the research problem and objectives.

Chapter two explain the current related knowledge in this research based on existing literature. the review cover overview of ethics and integrity, dimension of ethics, impact of ethics and integrity towards organisation performance, relationship of ethic and integrity with financial management, and ethics and integrity measurement tools. The literature review in this chapter has led the researcher towards the research gap in this study. This chapter explained the significant of evaluation ethics and integrity in financial management in order to prevent ethical violation and towards a better organisation performance.

Chapter Three describes the research methodology in this research in detail such as the research methodology; data collection (namely interview, questionnaire, and case study), data analysis (such as content analysis, statistical analysis and benchmark measurement) and lastly is research process framework.

Chapter Four describes the case study, data analysis and result from semi structured interview and questionnaire. The ethics and integrity of organisation culture, leadership and ethics training in HEP UUM and level of implementation are identified and conclusions are drawn. The data analysis and finding from interview

lead to the understanding on the current ethics and integrity in HEP UUM organisation. The discussion of research findings are also presented in this chapter.

Chapter Five review the research objective, and conclusion of the research outcomes based on the research questions, and research objective. Finally, recommendations for future research are proposed.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter describes literature review of this research. This chapter was organized into three main sections. There were overview of ethics, dimension of ethics, and the need of ethics in organisation performance. The first and second section is focused on ethics in organisation performance particularly in public organisation. The last section is focused on application of ethics in financial management as a key to organisation performance.

2.2 Overview of Ethics and Integrity

Ethics was originally taken from Greek word 'ethika', from ethos, 'character' or 'custom'. The word ethics can be described as principles or standards of human conduct, sometimes referred to as morals (Latin mores, 'customs'). However, ethics has been defined in a numbers of definitions in literature. For example, Altekruise, Engels, and Freeman (2004) have defined ethics as "a way of understanding and examining the moral or the good life". On the other hand, Singh & Singh (2013) has viewed ethics as principle based on doing the right thing. Meanwhile, Ciulla (2004) defined ethics as a reflective process that refers to communal exercise that were based on rights and obligations.

Ethics has also been understood as a foundation of integrity that consists of value, norm, the moral standard or principle (Bash, 2015). Thus, the term of ethics is always related with integrity. Integrity also has been defined in several of definition in past research. For instant, integrity has been addressed as a quality output of

obligation towards a set of values and principle with moral justification (Becker, 1998). From a philosophical point of view the term “integrity” refers to the quality of a human character and it can be attributed to various aspects of the person’s life (Cox, Caze, & Levine, 2013). According to Rossouw and Vurrent (2010), an individual with integrity is recognised as someone who always obeys to a set of ethical standard. In Malaysian perspective, definition of ethics has been classified into individual integrity, organisation integrity, and officer integrity (National Integrity Plan, 2007).

Table 2.1 Definition of integrity in Malaysia perspective

Integrity	Definition
Individual	“A quality of excellence that is manifested in a holistic and integral manner in individuals and organizations. Integrity is based on ethics and noble values and their concrete manifestation In daily lives.”
Officer	“Carrying out the trust and responsibilities bestowed upon them in line with public interest. They are not allowed to misuse their power for their self-interest or for the interest of their families or relatives”.
Organisation	“Formulation and implementation of codes of ethics, clients’ charter, and system or work procedures, as well as compliance with best practices”.

2.3 Ethic and Integrity in Malaysia

As develop country, the needs of ethics and integrity become more apparent towards high performance and productivity not only in private sector, yet in public sector. Several of effort has been taken by government for the purpose of enhancing ethics and integrity in Malaysia. For example, the introduction of National Integrity Plan (NIP) in the year of 2004. The NIP focused on the deployment of economy together with high integrity and ethical implementation (National Integrity Plan, 2007). The introduction of NIP is based on five objectives such as;

1. Reduced violation of ethics (corruption, malpractices and abuse of power);
2. Increased efficiency of the public delivery system and overcome bureaucratic red tape;
3. Enhanced corporate government and business ethics;
4. Strengthen the family institution; and
5. Improved the quality of life and people well being

Furthermore, in order to ensure the effectiveness of NIP, Malaysian Institute of Integrity (IIM) has been established. IIM is responsible for monitoring NIP, holding seminars and training and courses on integrity. IIM has introduced an evaluation assessment namely the Corporate Integrity Assessment Questionnaire (CIAQ) as a tool to evaluate level of ethic and integrity implantation in organisation. CIAQ consist of twelve dimensions as follows;

1. Vision & Goals;
2. Leadership;
3. Infrastructure;
4. Legal Compliance, Policies & Rule;

5. Organizational Culture;
6. Disciplinary & Rewards Measures;
7. Measurement, Research & Assessment;
8. Confidential Advice & Support;
9. Ethics Training & Education,;
10. Ethic Communication;
11. Whistleblowing; and
12. Corporate Social Responsibility

However, literature has shown three of the proposed dimensions that is frequently used and related with measurement of organisation integrity and ethics. They are organisation culture; leadership; and ethic training (Park & Blenkinsopp, 2013; Valentine & Fleischman, 2004; Vimba, Coetzee, & Ukpere, 2013). Thus, this study focused on these dimensions in order to investigate the level of ethics and integrity in HEP UUM.

2.4 Dimensions of Ethics

As mentioned in the previous sub section, this study focuses on organisation culture, leadership, and ethics training as dimension of organisation ethics. Research has highlighted the high influence of these ethics dimensions towards organisation performance (Bello, 2012; Graham, 2013; Othman & Abdul Rahman, 2010; Sheraz, Zaheer, Kashif-ur-Rehman, & Nadeem, 2012). Each of these dimension are closely related with each other in order to create high standard of ethics.

For example, in order to provide ethical organisation culture, there is a need of ethical leadership and ethic training. Naturally, leader are not born with ethics qualities such as honesty, integrity and trustworthy (Sapp, 2015). Thus, there is a need for ethical training to develop ethical leadership among the leaders. The next sub section explained the relationship of ethics with organisation culture, leadership and ethics training and how it contributes towards organisation performance.

2.4.1 Organisation Culture

Organisation culture study is not a new topic of study among researcher, hence it is still gaining attention from researchers (Graham, 2013; Madu, 2011; Park & Blenkinsopp, 2013). This is due the rapid development of industry and the increasing organisation challenges. Thus, the roles of ethic and integrity in organisation culture have become more prevalent. In term of ethics view, organisation culture has been defined in several of definition based on researcher background of study. For example, organisation culture has been defined as a pillar belief and social interaction that consist of mutual understanding, sharing value, pattern of beliefs and behaviour among the employees (Giberson, 2009). Organisation culture also has been addressed as foundation of meaningful organisation that developed from pattern of common value and beliefs (Nakhaie, Shariat, & Kavousi, 2011). Literature has been filled with evidences of strong relationship between organisation culture and ethical towards organisation performance.

Studies have also been conducted on examining the influence of organizational culture on employees ethical behaviour in public sector organizations (Afedzie, 2008), ethical values and work related outcomes: an empirical study of Pakistani

organizations (Khan, 2012), enhancing employee performance through ethical leadership, transformational leadership and organizational culture in development sector of Pakistan (Sheraz et al., 2012), and the impact of ethics programmes and ethical culture on misconduct in public service organizations (Park & Blenkinsopp, 2013). With regards to this, Graham (2013) has conducted a literature review study on the critical factor of strong organisation culture. His study has highlighted that ethical culture played significant role in development of strong ethical organisation culture. He also has addressed that the organisation culture was considered as determined factor for employee to behave ethically in organisation. In relation to that, Nakhaie et al, (2011) has performed survey among on 322 employees in Iran and found that there is also strong relationship between organisation culture and ethics towards enhancing employees' behaviour and organisation performance. The study revealed ethical organisation culture that guide employee in making decision in numerous of situation. Another significant ethics dimension that influences the organisation performance is leadership.

2.4.2 Leadership

A leader has been addressed as mentors, coach, guide, and supporter that play a fatherly role for their followers. Individuals always idealize someone as their leader and look to him or her as ethical source and guidance (Kohlberg, 1969). In similar point of view, Freeman & Stewart (2006) defined an ethical leader as person with "right values" and "strong character" that act as role model for others and withstand temptations. Therefore, the role of ethics in leadership has been investigated by many scholars across the globe. For example, a relationship between leadership work ethic and organisational performance in the public sector (Vimba et al., 2013), impact of

ethical leadership on employee job performance (Bello, 2012), enhancing employee performance through ethical leadership, and transformational leadership, and organizational culture in development sector of Pakistan (Sheraz et al., 2012).

It has evident that leadership plays a decisive role in fostering ethics in the organization that affects employee's performances and simultaneously influence organisation performance (Brown et al., 2005; McCann & Holt, 2009; Sheraz et al., 2012; Vimba et al., 2013). Unethical leader can lead toward increasing cost due to increasing employee turnover, decreases job satisfaction, employee productivity (Bello, 2012). Thus, leadership and its manner in carried out organisation objective have been addressed as the successful factor of organisation. Sheraz et al. (2012) has proposed a model of ethical leadership towards enhancing organisation performance that closely related with employee performance and organisation culture.

White and Lean (2008) has addressed that employee tend to follow leader who not only possess leadership competencies yet also exhibit character, integrity, courage and consideration. According to Beeri et al. (2013), there is positive relationship between ethical leadership with awareness of the code ethics among employees that can increase organisational commitment and higher quality of work life. This is due to the leader who possess integrity and ethical trait developed trusting relationship with organisation employee (Graham, 2013). However, in order to developed and ethical leadership, there is a need for ethical training not only limited to leaders, yet also involved others organisation employees.

2.4.3 Ethic Training

Ethic training is also one of the determine factor in increasing integrity within organisation. Ethic training is one of the elements in ethic structure within organisation that ensure the effectiveness of implementation of ethics (Othman & Abdul Rahman, 2010). According to Abdul Rahman (2010), most of the government organisation conducted intensive ethics training during orientation programme for among the new employee. After the orientation, the ethics training continue in order to maintain the level of ethics among the employees. Gandz and hayes (1998) has highlighted four objectives of ethics training in organisation which are;

1. To encourage the awareness of ethical component in decision making;
2. To established the ethical component as a part of managerial decision making;
3. To enhance the implementation of ethical component by providing conceptual framework analysis; and
4. To helping of participants to adopt ethical analysis to day-to-day business activities

Moreover, the purpose of teaching ethics in organisation is to provide employees with acquired skills to deal with managerial challenge and create an ethical environment (Kannaiah & Kumar, 2009). Thus, the ethic trainingis become more apparent due to its long term value towards organisation (Brock, 2008). Therefore, the need of ethic training in organisation has been widely discussed in several of study (Beer et al., 2013; Graham, 2013). Research has shown most of the companies have established policy and regulation as an ethics code (Bishop, 2013; Brown et al., 2005; Othman & Abdul Rahman, 2010).

However, without proper ethics training among the employees lead to the ineffectiveness implementation of ethics. Kaptein and Schwartz (2008) have highlighted the involvement of employees in ethics training increased their awareness and understanding in content of ethical code as well as avoiding ethical violation. It has been proven that employees who are aware of the organisation ethics and rules are more motivate and productive (Othman & Abdul Rahman, 2010; Park & Blenkinsopp, 2013; Sekerka, 2009).

Ethic training will also enhance the communication and collaboration among employee and top management. Moreover, basically ethic training is also capable to shape organisation culture towards providing positive perceptions of organisation among the employee (Valentine & Fleischman, 2004). Although, the significant of ethics training and education, yet there here is a need to evaluate the effectiveness of current ethic training programme in organisation (Valentine & Fleischman, 2004).

2.5 Organisation Performance

Organisation performance continues to be one of areas within management that attracts great deal of interest (Aluko, 2003; Heilman & Kennedy-Phillips, 2011; Meier & Hicklin, 2008; Meyer & Herscovitch, 2001; Salem, 2003). Due to the complexities and competitive business environment, organisations are striving for better performance. Organisation performance has been addressed commonly as transformation of input and output towards achieving organisation goal (Chen, 2002). Most of the measurements of organisation performance are based on efficiency and effectiveness. Figure 2.2 below illustrate the element of the effectiveness of organisation performance.

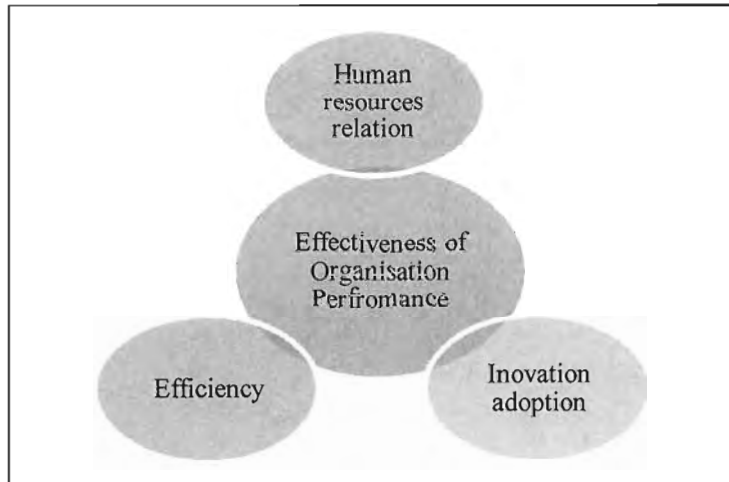


Figure 2.1 Effectiveness Elements of Organisation Performance

The effectiveness of organisation performance consists of three main element which are efficiency, human resources relation and innovation adoption (Yukl, 1998). Efficiency is referring to how the organisations utilised their people and resources in performing task with minimum cost. Meanwhile, human resources relation is refer to the organisation employees in term of trust, collaboration, communication and their commitment towards organisation. On the other hands, innovative adoption mostly applied to the business organisation or firm which is refer to market share and sales growth.

According to Meyer and Herscovitch (2001), the effectiveness of organisation can be analyse through organisation commitment in workplace. The word commitment is refer to relationship between leader and employee, employee identification with organisation, and psychological attachment felt by employee. Other authors, has addressed that to improved organisation effectiveness, the organisation should focused on increasing communication, interaction, leadership and positive organisation culture (Heilman & Kennedy-Phillips, 2011). Research has evident the

increasing of employee commitment, royalty, communication, satisfaction, and collaboration in organisation are the beneficial from implementation of high ethics and integrity standard (Ciulla, 2002; Liao & Teng, 2010; Meier & Hicklin, 2008; Sheraz et al., 2012; Ssonko, 2010).

2.5.1 Impact of Integrity towards Organisation Performance

Research in organisation management has shown the significant influence of ethics towards organisation performance (Ciulla, 2002; Khan, 2012; Vimba et al., 2013). According to Khan (2012), the implementation of ethics is capable of providing opportunities to organisation to improve behaviour, collaboration, participation among employees. He has also concluded that the adoption of strong ethics in organisation can increase job satisfaction, and organisation commitment among the employees. The existence of strong ethical in organisation providing an effective work place environment that can also lead to high relationship between employees and top management as well as increasing employee royalty (Graham, 2013). Furthermore, enhancing ethics within organisation can be consider as an effective foundation that hold the organisation together and drives organisation employee toward a better performance (Graham, 2013).

On the other hand, the lack of ethics in organization may lead to several of unethical behaviour that negatively influences towards organization performance. According to Bello (2012) the lack of ethic in organization can led to several crucial disadvantages such as;

1. Decrease job satisfaction;
2. Decrease employee productivity;

3. Ruin organisation image;
4. Increasing employee turnover; and
5. Increase unethical behaviour such as fraud.

Furthermore, according to Nelson (2008) violation of ethics in organization also lead an increasing of organization cost. Table below illustrates the potential cost of ethics conflict.

Table 2.2 Potential cost of ethics conflict (Nelson, 2008)

Categories	Type of cost	Description
Operation cost categories	Direct cost	Staff time
		Ethic consultant time
	Indirect cost	Staff and consultants time divert from main activities
		Staff and consultant stress
Legal cost categories	Long term costs	Decreased staff morale
		Staff burnout
	Direct costs	Staff turnover
		Additional staff needed
	Indirect costs	Risk management staff time
		Legal fees
	Long term cost	Court fees
		Settlement costs
	Long term cost	Staff stress
		Budget adjustments for settlement awards
Public relation cost categories	Direct cost	Additional staff needed
		Public relation time
	Indirect costs	Advertising costs
		Public image need to be rebuilt
	Long term costs	Staff work diverted
		Staff moral and stress
		Negative public image
		Loss of self-referrals and market share

The significance of integrity within organisation is not only to encourage ethic yet it is important evaluate the organisation (Valentine & Johnson, 2005). Given the importance of this issue, there is need determined and evaluate organisation ethics and integrity system.

2.5.2 Ethic and Integrity in Financial Management

The significances of ethics and integrity have been widely discussed across the management field including financial management (Aluko, 2003; Barrow, 1988; Beeri et al., 2013; Cohen, 1989; Gregory, 2009; McMahon & Stanger, 1996; Walker & Petty, 1978). The function of financial management has been defined in several of area. For example, Walker and Petty (1978) have divided main responsibility of financial management into several areas as follows;

1. Planning (cash planning and control, asset forecasting and profit management)
2. Financial leverage
3. Investment decision making
4. Working capital management (cash, receivable and inventory management)
5. Source of financing

Meanwhile, Barrow (1984) highlighted financial management is more related to business control activities such as measurement profitability, control of working capital, cost, volume , business plans and budget. Meanwhile, Cohen (1989) has addressed financial management is refer as working capital management and tools where consist of ratio analysis, profitability measures and bread even analysis. Thus, financial management has been addressed as key in organisation successful.

Compare with others management field, financial management shown more crucial need of high standard ethics and integrity (Boatright, 2013; Cowton, 2002; Eko & Sri, 2015; Singh & Singh, 2013). In addition, Financial management has been considered consist of high probability toward unethical ethics and integrity to take place (Singh & Singh, 2013). Finance management such as banking involve dealing with billions of people money required high standard of ethics and integrity not only for banking performance yet gaining depositors trust. Thus, there is a need of ethics and integrity evaluation in financial management.

2.5.3 Organization Ethics and Integrity Measurement

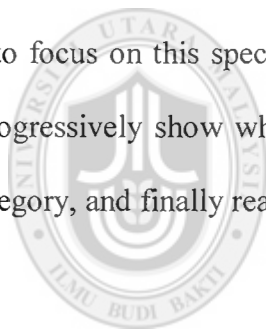
Previous section has been highlighted the impact of ethics and integrity in organization performance. Thus, most of the organization has been established their own effort to promote and implement ethics such as code of ethics and integrity. However, the establishment of ethics code and implement compliance programs in organization are not enough to provide high standard of ethic and integrity practice (Valentine & Johnson, 2005).

There is a need of determined and evaluate organization ethics and integrity system in organization. Several of ethics and integrity measurement instrument has been proposed in past research particularly in ethical leadership. Some of the instrument are; Perceive Leader Integrity Scale (PLIS) (Craig & Gustafson, 1998), Behavioural Integrity Scale (BIS) (Dineen et al., 2006), Global Ethics and integrity benchmarks (Dubinsky & Richter, 2008), and Corporate Integrity Assessment Questionnaire (CIAQ) (MII & CIAC, 2008), Table 2.2 explained each of the instrument mentioned above.

Table 2.3 Ethics and Integrity Measurer Instrument

Author	Tools	Description
Craig and Gustafson (1998)	Leader Integrity Scale (PLIS)	<ul style="list-style-type: none"> - Considered as widely used and well validate psychometric instrument in investigation of organization behaviour and integrity - Focus on ethics and ethical of leadership in the organization - Based on seven main behavioural such as training and development, maliciousness, resources/workload allocation, self-protection, truth telling, procedure and policy compliance and unlawful discrimination. - Consist of 77 items
Dineen, Lewicki and Tomlinson (2006)	Behavioural Integrity Scale (BIS)	<ul style="list-style-type: none"> - Has been developed based on Bandura's social learning theory (1997). - Developed to investigate the relationship of leader/supervisor integrity to employee organization behaviour - Consist of 38 item
Dubinsky and Richter, (2008)	Global Ethics and integrity benchmarks	<ul style="list-style-type: none"> - Consist of 12 dimension - Result from questionnaire in each dimension will be determined into 5 scales such as 0%, 25%, 50%, 75% and 100%. - 100% indicate the best practice for each dimension
(MII & CIAC, 2008)	Corporate Integrity Assessment Questionnaire (CIAQ)	<ul style="list-style-type: none"> - Was developed based on Dubinsky and Richter (2008) Global Ethics and Integrity Benchmark - Consist of 12 dimension and 214 questions.

For the quantitative purpose, this study will adopted Corporate Integrity Assessment Questionnaire (CIAQ) as instrument measure and evaluates the level of ethics and integrity in HEP UUM. According to MII and CIAC (2008), CIAQ instrument enable researcher to investigate and determine the current level standard of ethics and integrity in organization based on each dimension in CIAQ. Moreover, the output from CIAQ instrument will help the organization to identify gaps and obstacles in the ethics an integrity system and help the organization to prepare a proper mechanism to enhance the organization ethics and integrity standard. Result from the CIAQ can be measured by the percentage which has been decided into several of categories. For example, 0% indicates that an organization that has not yet begun to focus on this specific ethics consideration. The 25% through 100% levels then progressively show where an organization might be situated as it improves in that category, and finally reaching the 100%, or best-practice level.



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2.6 Chapter Summary

This chapter starts with the explanation of overview to ethics and integrity with its definition. The definition of ethic and integrity was discussed from several of proposed definition from literature including the definition from Malaysia perspective. Due to the increasing of ethical and integrity violation such as financial scandal, dishonest, manipulation and fraud among the organization, the need of ethics has become more apparent.

This chapter continues with the dimension of ethics and the explained the most frequently dimension used in evaluation of organisation ethics. Further it continues with the explanation of relationship between organisation culture, leadership and

ethic training in term of ethic in organisation. Research has shown there is strong relationship of these dimension of ethic towards organisation performance. Thus, the impact of ethics and integrity were discussed in order to highlight the importance of ethics and integrity in organisation performance. As a result, there is a little study attempt to investigate the need of ethics evaluation in organisation.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter highlighted the research methodology of this study. The research design will be discussed and will be used in this area of study. Research methodology referring to the research procedure or process in scientific investigation (Creswell, 2003). In detail, the research design consist of explanations how researcher performed a research in term of data collection process and data analysis (Yin, 2003). This chapter will be organised as follow; start with introduction, continue to research design, then explanation on research process framework, and finally the chapter summary.

3.2 Research Methodology

The selection of research design has been considered important to achieved research objective (Yin, 2003; Zainal, 2007). This is due to each of this research's design will provide a different research procedure, and process. This study was conducted in quantitative and qualitative approach.

Qualitative is referring to the depth investigation of phenomenon or situation from exploring the totality of the situation based on human experience, opinion and expertise. Meanwhile, quantitative research is more concern on numerical data such as statistical. This study has been conducted in quantitative and qualitative approach. The selection of research methodology is depend on the research problem, objectives and research questions (Yin, 2003). A case study was employed as a research methodology in this study. This is in line with the research questions which focus on

“how” and “what”. In addition, this case study is capable of dealing with many variety of data collection method (Zainal, 2007). Thus, the quantitative approach has been used to fulfil the first objective in this study. Meanwhile, the qualitative approach has been used to fulfil the third and fourth objective of this study. Figure 3.1 below illustrate the research framework of this study.

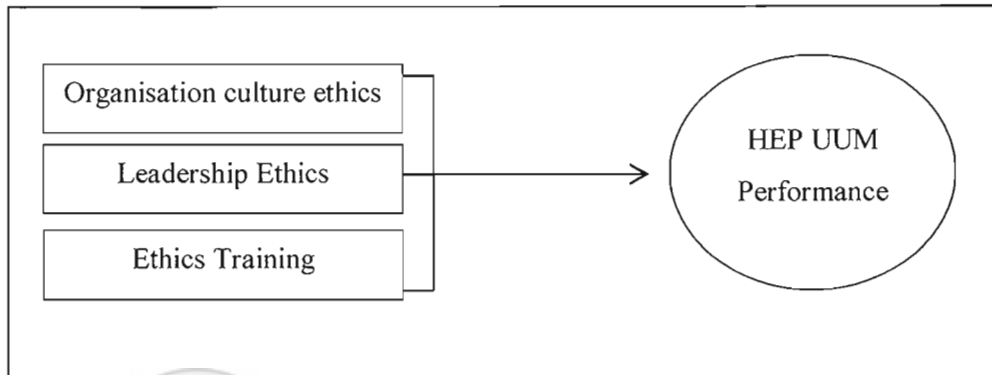


Figure 3.1 Research Framework

3.3 Research Process Framework

Research process in this study has been divided into four phases as follows;

Phase 1: Literature review

The first phase in this study was performed literature review to identify the awareness of ethics and integrity in organisation performance. Literature review is crucial to researchers to provide a research background and illustrates their context and idea of their study. Literature has highlighted the purpose of literature review before carried out a research project as follows (Goh, 2011);

1. To identify the gaps in the literature
2. To avoid reinventing the wheel

3. To identify other people on the same domain of study
4. To identify information and ideas that may be related to the research
5. To identify the method that related to the research

This study has performed literature review on several topics such as ethics and integrity and organisation performance to highlight the objective of the study. Through the literature review, a substantial argument and evident was gathered by researcher to identify the strong relationship on ethics and integrity towards organisation performance and the need of evaluation level of ethics and integrity implementation.

Moreover, the literature review also has been conducted to identify the appropriate research design in this study. The selection of research design has been considered as important to perform a research. This is because each of the research design will provide a different procedure of research. The quantitative research design has been chosen due to its characteristic that suits the study.

Phase 2: Data Collection

Data collection refer to the process on how researcher performed data collection, what type of data been gathered (Zainal, 2007). This study has been conducted based on two types of data as follows;

1. Primary Data

Primary data is data which is originally collected by the researcher themselves based on their research problem. There are few instruments

available for this type of data collection such as interview, questionnaire and observation record as follows;

- Quantitative Data: Questionnaire has been chosen as medium for data collection in this study. Research has illustrated the effectiveness of questionnaire in gathering information about characteristic, actions or opinion (Creswell, 2003). Thus, this study has adapted questionnaire from Corporate Integrity Assessment Questionnaire (CIAQ). This questionnaire consist of 59 questions that related with ethics and integrity in organisation culture, leadership and, training and education. About 40 respondents from HEP UUM's staff who involved in financial management were chosen. They were asked to answer each of questions through Likert scale from 0 to 4 (where 0 point is not sure and 4 are strongly agreed). This data were process using SPSS system to evaluate the result of the questionnaire. This approach has been apply and suggested by Jamaliah Said & Normah Omar (2014) in their study related to corporate integrity system.
- Qualitative Data: Data of organisation performance has been gathered through interview among several of leader in HEP UUM. In this semi structured interview, the leader were asked to answer two question that related with HEP UUM performance, and how the ethics and integrity role in organisation culture, leadership and, training contribute towards organisation performance. The interview was recorded and transcribe in this thesis.

Before distribute questionnaire among the HEP UUM staff, pilot study has been performed through evaluation of questionnaires by supervisors based on adapted questionnaire from Corporate Integrity Assessment Questionnaire (CIAQ). For this research, respondent selected from the staff and main head unit from HEP UUM that involve directly in financial process and management. They are person who responsible in managing and ensure the budget allocation is spending accordingly and in order based on the university's rules and regulation. Each of them will present the whole HEP UUM financial process which will impact directly on the performance.

2. Secondary Data

Unlike primary data, secondary data refer to the existing data used by the researcher through journal, conference paper, books, company data and other document. In this research, document analysis has been performed through journal, thesis, web site, new paper, government report and others.

Phase 3: Data Analysis

This phase is more focus on how the researcher analyses, and retrieves information from the questionnaire data. Literature has been mentioned that data analysis should be done through software programme (Sekaran & Bougie, 2003). Thus, in this study data from questionnaire was recorded and analyses through the software programme called Statistical Package for The Social Sciences (SPSS) and content analysis as follows;

1. Quantitative data: SPSS has been widely used to transform the data into information in descriptive statistic such as frequency. To access the level of ethics and integrity in HEP UUM, CIAQ will be use. CIAQ questionnaire consists of several dimensions of ethics and integrity. The reliability test will be performed to measure the reliable of questionnaire through Cronbach's alpha result. The respondents will require answering the questionnaire through Likert scale from 0 to 4 (where 0 point is not sure and 4 are strongly agreed).

Result from the questionnaire will be analysing using the percentages of agreement answer from the returned questionnaire through 5 measurement scale. The 0% level typically identifies an organization that has not yet begun to focus on this specific ethics consideration. The 25% through 100% levels then progressively show where an organization might be situated as it improves in that category, and finally reaching the 100%, or best-practice level. To further understanding the different between elements, post hoc test was applied. Relationship between leadership, training and culture will be measure using Spearman rank-order correlation coefficient.

2. Qualitative data: qualitative data in this study has been analysed through content analysis. Content analysis is one of the frequent analysis approach used for qualitative data. This analysis allows researcher to identified main point of data. Data has been gathered and divided into several category in order to increase the understanding of researcher (Fellow& Liu, 2008)

Phase 4: Findings and Conclusion

Finding and conclusion will be presented in this chapter. The input of this phase will base on the result of data analysis. Result from previous phased will be discussed in detail. Comparison of the finding with past research will also will compare in order to draw a conclusion of this study. Moreover, this phase also provide a recommendation for future research. Figure 3.2 illustrates the research process frameworks of this study.

Phase	Activity	Method	Output
One	Literature Review	<ul style="list-style-type: none">Literature Review	Awareness of the problem
Two	Data Collection	<ul style="list-style-type: none">QuestionnaireDistribution questionnaireSemi structure interview	
Three	Data Analysis	<ul style="list-style-type: none">Quantitative: Descriptive statistic (SPSS)Qualitative: Content analysis	Research objectives 1 and 2 Research objective 3 and 4
Four	Conclusion and findings	<ul style="list-style-type: none">Research Finding, conclusion and recommendation for future research	

Figure 3.2 Research Process Frameworks

3.4 Chapter Summary

This chapter presented the methodology of research that was employed in this study. Case study method has been chosen in this study has research methodology due to the concept this method. Reasoning of chosen case study also has been explained in this chapter. Framework of Research process consist of overall activities in this research has been clearly explained in this chapter. Data collection was performed through questionnaire among the HEP UUM employees. Data analysis also has been defined in this chapter.



CHAPTER FOUR

DATA ANALYSIS

4.1 Introduction

The primary purpose of this chapter is to illustrate the result from data collection and data analysis that has been performed in order to achieve the objectives of this research.

4.2 Case Study Description

Student Affairs and Alumni Department (HEP) is one of the main departments in Universiti Utara Malaysia (UUM). HEP UUM is responsible for providing student services and managing in developing character and potential students. This includes local and international students around 22, 000 peoples in Malaysia. In order to manage this role, the Student Affairs Department (HEP) is the main unit under UUM that responsible for the task.

HEP UUM also responsible for managing 15 Student Residential Hall also known as “Dewan Penginapan Pelajar” with their activities and facilities. Besides that, HEP UUM also playing role for monitoring twelve (12) departments such as the Counselling Centre, the Alumni Centre, the Culture and Arts Centre, The Career Development Centre, the Student Accommodation Centre, the Administration and Finance Division, the U-Assist and many others. Every sub unit in HEP UUM is given with their own allocation budget. Each sub unit also responsible to manage all the financial process including monitoring expenses, checking financial statement, manage the documentation and responsible for every financial expenditure either for office or students. Figure 4.1 illustrates the organisation chart of HEP UUM. Due to

the significant role of HEP in UUM, and also the amount of budgets allocated by UUM for managing the department, there is a need to evaluation the effectiveness of ethics and integrity of HEP UUM in financial management.

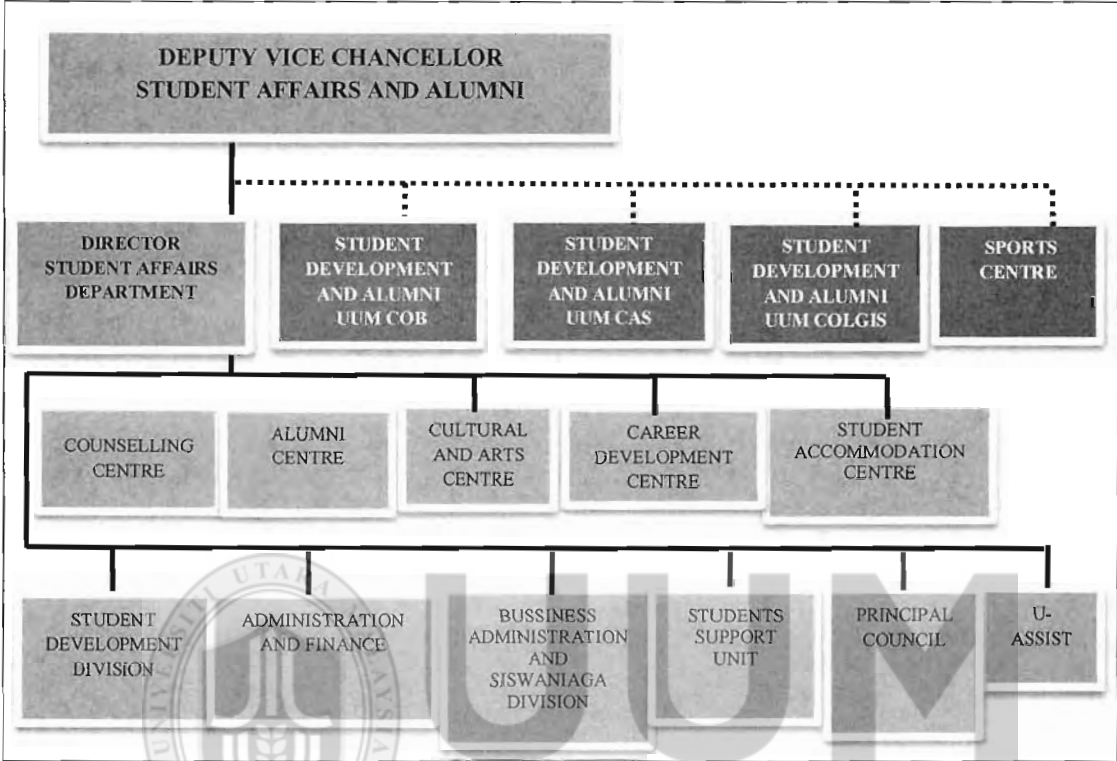


Figure 4.1 HEP UUM Organisational Chart

4.3 Quantitative Data Analysis

This section presents the analysis of quantitative data from the questionnaires distributed. A number of fourty (40) questionnaires were distributed among the HEP UUM employees and 39 were returned. However, only 38 were fully completed. Thus the response rate is 97.5% making the return rate for the questionnaires considerably high. The organizational culture, leadership and training were scale as follows; not sure (0), highly agree (1), agree (2), disagree (3) and highly disagree (4). Relationship between organizational culture, leadership and training was measured by Spearman rank-order correlation coefficient.

4.3.1 Respondents Demographic

This study has verified the demographic of overall respondents who are involved which consists of gender, age, marital status, profession, current employment status, and service period. Table 4.1 presents the detail of respondents demographic.

Table 4.1 Respondents Demographic

Demographics	Characteristics	N	Percentage (%)
Gender	Male	9	23.7
	Female	29	76.3
Age group	21 - 30 years old	5	13.2
	31 - 40 years old	25	65.8
	41 - 50 years old	5	13.2
	51 - 60 years old	3	7.9
Marital status	Single	3	7.9
	Married	35	92.1
Profession	Manager	6	15.8
	Support group	32	84.2
Current employment status	Permanent	32	84.2
	Contract	6	15.8
Service period	Less than 5 years	5	13.2
	6 – 15 years	25	65.8
	16 – 25 years	5	13.2
	26 – 30 years	1	2.6
	More than 30 years	2	5.3

The result illustrates the domination of female employees in this study with 29 (76.3%) respondents compared to 9 (23.7%) of male respondents. In age portion, 25 (65%) respondents age are in the range of 31-40 years old, followed by five (13.2%) respondents who are of 21-30 age group, and 41-50 years old. Only three (3) respondents are of the age of 51-60 years old.

In term of marital status, 92.1 % representing 35 of respondents are married. Only 7.9% which is three (3) respondents are single. Profession categories show that 32 (84.2%) of the respondents belong to the support group. Meanwhile, only six (6) (15.8%) respondents are managers. In current employment status, majority of respondents with percentages of 84.2% which represent 32 respondents are categorized as having permanent status. Only six (6) or 15.8% respondents are on contract basis. Lastly, 25 (65.8%) respondents have worked within 6 to 15 years in service period. Meanwhile, 13.2% of the respondents have work less than five (5) years, 2.6 % within 26 to 30 years and 5.3% have worked for more than 30 years.

4.3.2 Reliability Test

This test is significant in order to measure the reliable of instrument for this research. The main purpose of reliability test is to determine the ability of the proposed questionnaire with other measures, and the theoretical grounds. The reliable questionnaire should also reflect some underlying attitudes and values (Harrison, 1993). Thus, due to these aforementioned issues, the reliability test of questionnaire has been conducted for each dimension in the questionnaires as follows;

1. Organisation Culture

The result of the reliability analysis, shown in table 4.2 is above 0.7, which indicates high reliability. The result shown the Cronbach's alpha for organisation culture is 0.879, which is indicates high level of internal consistency for this study scale with the specific sample.

Table 4.2 Organisation Culture Cronbach's Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.879	.865	20

2. Leadership

The result of the reliability analysis, shown in table 4.3 is above 0.7, which indicates high reliability. The result shown the Cronbach's alpha for leadership is 0.923, which indicates high level of internal consistency for this study scale with the specific sample.

Table 4.3 Leadership Cronbach's Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.923	.928	21

3. Ethics training

The result of the reliability analysis, shown in table 4.4 is above 0.7, which indicates high reliability. The result had shown the Cronbach's alpha for ethics training is 0.864, which indicates high level of internal consistency for this study scale with the specific sample.

Table 4.4 Ethics Training Cronbach's Alpha

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.864	.865	18

4.3.3 Benchmark Measurement

The organizational culture is presented by item in section B, C and D. There are a total of 59 questions that is set to evaluate the level of integrity and ethics within the HEP UUM through three dimensions which are organisation culture, leadership and ethic training. Each questions contains Likert scale that range from 0 to 4 where 0 represent "not sure", 1 represent "highly disagree", 2 represent "disagree", 3 represent "agree" and 4 represent "highly agree". However, in the analysis section, the scales of 3 and 4 are combined to denote "At least agree" and the scales of 1 and 2 are combined to denote "At least disagree".

Unanswered items by the participants were coded as "0" (Said & Omar, 2014). Table 4.5 illustrates the detailed questionnaire that consists of item of organisation performance, leadership and ethics training, and followed by frequency table 4.6, 4.7 and 4.8 and, figure 4.2, 4.3, and 4.4 that represent each dimension.

Table 4.5 Measurement of Dimension

No	Description	No of item
1.	Addresses the overall organizational culture and how it promotes ethical conduct in the context of the organization's mission, vision, structure, and strategy.	20
2.	Covers the responsibilities of the organization's leadership in shaping, guiding and supporting the organization's ethics and integrity initiatives.	21
3.	Explores ethics and integrity awareness, skill-building training and education, and the integration of such training into the overall development of all employees. This category includes the provision of ethics-related training and skill building throughout the life cycle of staff members, and the degree to which these initiatives are integrated into other organization-wide training commitments.	18

Table 4.6 Organizational Culture Percentage Result

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid Not sure	1	2.6	2.6	2.6
At least disagree	9	23.7	23.7	26.3
At least agree	28	73.7	73.7	100.0
Total	38	100.0	100.0	

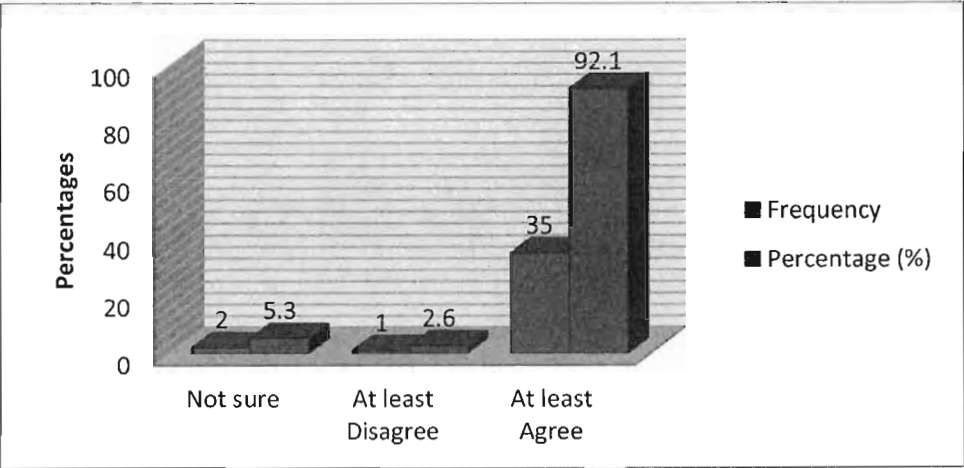


Figure 4.2 Organisation Culture Percentage Result

Table 4.7 Leadership Percentages

		Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid	Not sure	2	5.3	5.3	5.3
	At least disagree	2	5.3	5.3	10.5
	At least agree	34	89.5	89.5	100.0
	Total	38	100.0	100.0	

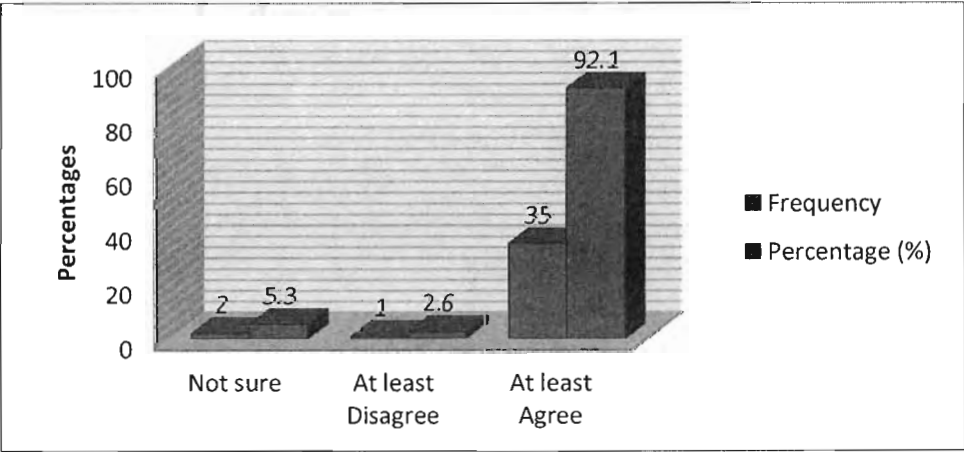


Figure 4.3 Leadership Percentage Result

Table 4.8 Ethic Training Percentages

	Frequency	Per cent	Valid Per cent	Cumulative Per cent
Valid Not sure	2	5.3	5.3	5.3
At least disagree	1	2.6	2.6	7.9
At least agree	35	92.1	92.1	100.0
Total	38	100.0	100.0	

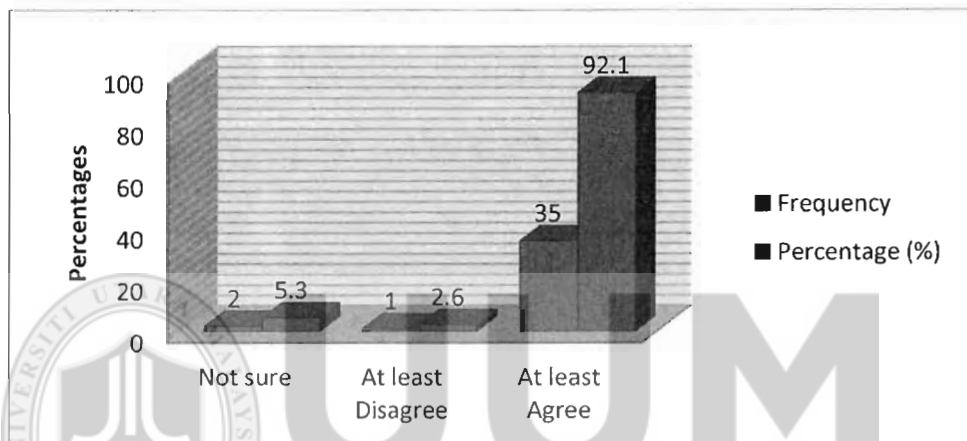


Figure 4.4 Ethics Training Percentage Result

Table 4.9 Summary of Result for Each Element

No	Category of Ethics and Integrity System	Percentage (%)
1.	Organizational Culture	73.7
2.	Leadership	89.5
3.	Ethics Training and Education	92.1
	Overall score	85.1

Table 4.9 show the summary of percentages of agreement answer for each on each category of ethics dimension. The result showed that the overall score for all dimension are more than 50% that illustrates that HEP UUM are determined in

implementation of ethic and integrity into their daily work. Table 4.10 illustrates the each score of the dimension in according to benchmark (Dubinsky & Richter, 2008).

Table 4.10 Description Result for Each Dimension

Element	Score (%)	Description
Organisation Culture	73.7	<ol style="list-style-type: none"> 1. Organisation culture in this HEP UUM is relatively open 2. The organisation has committed itself towards ethics and integrity regardless the existence of shortcomings. 3. The history and traditions of the organisation are well established 4. Leaders and others articulate and describes the organisation culture in term of its value, mission and ethical commitments to stakeholders
Leadership	89.5	<ol style="list-style-type: none"> 1. Leaders are demonstrating ethics and integrity awareness in their behaviour and act. Their actions are also consistence with organisation value. 2. Leader often highlighted the ethics and integrity in their speeches or statement 3. The board of director share responsibility for integrating ethical conduct into organisation culture 4. Most of the leaders have been groom with proper ethical training and coaching and enable to coaching the other. 5. Ethical and integrity has been use as foundation in selection, performance evaluation and promotion decisions.
Ethics training	92.1	<ol style="list-style-type: none"> 1. The organisation exposes employees at all levels with challenging ethical dilemma drawn from real life that prepared them to recognise, appreciate and resolve

ethical issues that they will facing in everyday business.

2. The implementation of specific ethical decision making methodology that allows employees to deal with ethical dilemma.
 3. Ethics included in other organisation training, such as supervisory training, diverse techniques and examples are used to deliver training on all topic.
 4. Senior managers endorse and voluntary attend ethics training
 5. The high collaboration between managers and employees helping each other in design, develop, deliver and reinforce the learning from training.
-

Overall, score for the evaluation results is 85.1% per cent is represented by 85.1% of the total respondents at least agreed that HEP UUM do have a proper ethical and ethics in term of organisation culture, leadership and ethic training in financial management.

4.3.4 Correlation between Organizational Culture, Leadership and Training

The last step for this study is to identify the relationship between organizational culture, leadership and training. Table 4.11 shows the result for the correlation. There are positive relationship between organizational culture and leadership for $r = 0.743$ and $\alpha < 0.01$, positive relationship between organizational culture and training for $r = 0.445$ and $\alpha < 0.01$ and positive relationship between leadership and training for $r = 0.637$ and $\alpha < 0.01$.

Table 4.11 Correlation between Organisation Culture, Leadership and Ethics Training

	Organisation culture	Leadership	Ethics training
Organisation culture	-	.743**	.445**
Leadership	.743**	-	.637**
Ethics Training	.445**	.637**	-

** . Correlation is significant at the 0.01 level (2-tailed).

4.4 Qualitative Analysis

This section illustrates the analysis qualitative from the semi structured interview with one of the HEP UUM leaders. As mentioned in methodology chapter, this qualitative data from the interview with one of the HEP UUM leaders, the respondent were asked to give their opinion toward questions such as on the current performance of HEP UUM and how the organization culture, leadership and ethics training promotes ethical conduct towards financial organisation performance. Table 4.12 illustrate the interview results from one of the HEP UUM leaders interviewed.

Table 4.12 Interview Result

Question	Answer
Q1	- <i>“The performance of HEP UUM in term of financial management is increase compare to previous quarters in 2016 based on “Mesyuarat Pengurusan Dan Kewangan Universiti”. Part of the measurement is the performance on few managerial indicators such as the number of day’s payment process, expenses, debt collection, Asset Inventory, and performance of Trust fund/account. For example the performance of payment process in seven (7) days and fourteen (14) days has been improved around eighty per cent (80%) from the previous years. Management on expenses also have been improved with no proposal for additional budget for the last two years. There is also increasing in debt</i>

collection around forty per cent (40%) compare to last year. For the asset and inventory report, it has been update and summited to top management in time. The performance of trust fund account for this year 2016 has been reported with no overused funding been reported”

- Q2 - *“In term of promoting and implementation of ethics and integrity in HEP UUM, organisation culture, leadership and, training are significantly importance towards HEP UUM performance not only in financial management but also in the other managerial. In my perspective, they are related with each other. For example, the role ethics training is to expose the employees including managers to ethics and integrity. From here, the employees and managers who possess the ethics and integrity will create high standard of organisation culture in HEP UUM. Leaders who performed the leadership role with ethics and integrity become role model and simultaneously inspire among the other employees. These also increase the collaboration between manager and other employees. Every decisions made in organisation are based on ethics and integrity. As a result, when the employees are happy and comfortable with the organisation culture, their satisfaction, performance, and productivity will increase as well as organisation performance. Thus, in HEP UUM ethics and integrity has become priority in each of employees including top management. Several of initiatives have been taken such as organising ethics lecture, talk, and workshop to enhance the ethics and integrity in HEP UUM”.*
-

Result from interview has illustrates the increase of HEP UUM performance in 2015 and ethics culture, leadership and ethics training has contributed much towards the HEP UUM performance. It has been explained explicitly by the leaders of HEP UUM that ethics and integrity in organisation culture, leadership and training has played significant role towards increased collaboration between top management of HEP UUM and employees, including providing effective working environment, increasing employees satisfaction and productivity as well as organisation performance in dealing with financial management matters.

4.5 Chapter Summary

This chapter has presented the analysis result from interview and questionnaire through qualitative and quantitative approaches. A detail explanation of data analysis also has been highlighted in this chapter.



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CHAPTER FIVE

DISCUSSION AND CONCLUSION

5.1 Introduction

HEP UUM focuses on establishment of ethics and integrity among the employees because one of the vision and mission university towards effective management. Student Affairs Department (HEP) is one of the main departments in Universiti Utara Malaysia (UUM). HEP UUM plays significant role in managing budget allocation for 22,000 of UUM student and 27 sub departments. An effective and excellent employee in financial management is crucial towards a better performance and to ensure the allocation is sufficient and effectively spent. Thus, to fulfil these objectives, HEP has been established of high standard ethics and integrity among theirs's staffs. This study was conducted to provide the result of evaluation of ethics and integrity level of HEP staffs in term of financial management.

This chapter presents the outcomes of the research through discussion of research findings in Section 5.2, the recommendation for future research in Section 5.3 and conclusion in Section 5.4.

5.2 Discussion of Research Findings

This section provides discussions of the results and findings based on the accomplishment of research framework in this study. The analysis and discussion are focus point on the explanation of the quantitative and qualitative data contained in chapter four and relationship of the concept identified in the literature review. The analysis has been performed in this study enable the author to answer the research objectives in this study.

Three phases has been performed in order to fulfil this research objectives and also to answer the research questions. Phase one is focused on literature review. This phase is significantly important that act as the foundation of this study. The need of ethics and integrity evaluation in organisation has been identified from this phase. Phase two is a data collection. This study has managed to identify the current condition and the level of ethics and integrity in term of organisation culture, leadership and ethics training in HEP UUM. Result from the questionnaire was further analysis in the phase four. Quantitative and qualitative analysis has been performed. The accomplishment of the research phases in this study has led to three main findings which are;

1. Identification level of ethics and integrity in organisation culture, leadership, and ethics training in HEP UUM.
2. Positive Relationship between Implementation of Ethics and Integrity in Organisation Culture, Leadership and, Ethics Training.
3. The rules of organisation culture, leadership and ethics training in HEP UUM performance.

5.2.1 Identification Level of Ethics and Integrity in Organisation Culture, Leadership, and Ethics Training in UUM HEP UUM

The first objective is to evaluate the level of ethics and integrity implementation through HEP UUM working environment which are organisation culture, leadership and training. Survey result showed that 73.7 % employees were agreed that HEP UUM is practising ethics and integrity during performing the job at the workplace. Most of respondents believed that HEP UUM has moving close towards effective ethical and integrity in working organisation culture such as given serious attention

towards any ethical issues, never abandon ethics and integrity during performing the task and in decision making process. Furthermore, always put the element of trust and fairness are highly value.

Result also shown that, most of the employees also agrees that their feel more secure to make a report if there find is any ethical violation in organisation. This situation makes their employees always alert and follows the code of ethics and integrity in their daily task or decision within the organisation (Nakhaie et al., 2011). This percentage also represents that the positive attitude towards the ethics and integrity practices has been applied in HEP UUM and the role model from leaders also exists in HEP UUM. This finding is in line with previous studies that highlighted the influence of ethical leadership toward organisation culture (Graham, 2013; Khan, 2012). Their studies highlighted the role of leadership towards implementation of ethics and integrity in organisation culture.

Meanwhile, 89.5% HEP UUM employees agreed that leaders in HEP UUM are possess and demonstrating ethics and integrity through their task and behaviour in organisation specifically during making decision. The leaders in HEP UUM also have been addressed by their employees/ subordinates' as role model in enhancing ethics and integrity among employees in organisation. Therefore, HEP UUM leaders need to maintain and continuously improved on their level or ethics and integrity. Since ethics and integrity among the leadership are the crucial factors that support implementation of ethics and integrity in organisation (Beerli et al., 2013). Result from interview leadership dimension also indicates that the influence of ethics training towards leadership ethics and integrity are crucial for employees'

performances. This statement is supported by Dubinsky and Richter (2008) that highlighted with score between 75% - 100% in the leadership section are illustrates most of the leaders have been groom with proper ethical training and education.

Most of the organisations have conducted training in order to expose and enhancing their employee's towards ethics and integrity application. However, there is a need to examine whether the implementation and content of the training are relevant and related to employees task. In other words, training need analysis should be performance before developed the training objectives. In this study, result indicates 92% of employees who answers the questionnaire were agree that the implementation of ethics training in HEP UUM provide them the actual situation to deal with ethics and integrity issues in their daily work task. They believe ethics training run by HEP UUM is providing a reliable and effective training course towards enhancing ethics and integrity attitude among themselves.

This result also support the research by Kannaiah and Kumar (2009) that study the purpose of ethics training that contribute to the development of employees' skills to deal with managerial challenge with ethics and integrity. According to global ethics and integrity benchmark, this score also present the existence of high collaboration between manager and employees in delivering and reinforce the ethics and learning from training in work environment (Dubinsky & Richter, 2008). This finding could be used by the HEP UUM management team, as guideline to fostering the implementation of ethics and integrity principles for improvement the financial performance. By evaluation of ethics and integrity among the HEP UUM staffs in

this study enable to provide the top management of organisation identify obstacles or barriers to enhancing ethics and integrity in HEP UUM.

5.2.2 Positive Relationship between Implementation of Ethics and Integrity in Organisation Culture, Leadership and, Ethics Training.

This study also investigated the correlation between organisation culture, leadership and training to fulfil second objective of this study. Result from questionnaire indicate there are positive relationship between organizational culture and leadership for $r = 0.743$ and $\alpha < 0.01$, positive relationship between organizational culture and training for $r = 0.445$ and $\alpha < 0.01$ and positive relationship between leadership and training for $r = 0.637$ and $\alpha < 0.01$. This, finding is similar with previous study that highlighted a positive relationship of organisation culture, leadership and, ethics training towards organisation performance (Graham, 2013; Madu, 2011; Park & Blenkinsopp, 2013).

5.2.3 The Roles of Organisation Culture, Leadership and Ethics Training in HEP UUM Performance

The third and fourth objectives in this study is to explore current organisation performance and how organization culture, leadership and ethics training relate to each other and how it promotes ethical conduct towards organisation performance. Report has indicates the increasing pattern in the effectiveness in HEP UUM financial management. The result from the interview session has showed the implementation of ethics and integrity in organisation culture, leadership and, training has increase the HEP UUM financial performance. The implementation of ethics and integrity is one of the HEP UUM's strategies to achieve the organisation

goal. For example, implementation of ethics training in HEP UUM has increased the employee's awareness towards ethics and integrity. This helps the employees capable of deal effectively with ethical issues in working environment and as well as increase their productivity. This findings is similar with Othman and Abdul Rahman (2010) that mentioned employees who are aware organisation ethics and rules are more motivate and productive.

The findings also highlighted the significant of ethics and integrity in leadership in HEP UUM performance. Leaders have been given a responsibility to guide the employees not only towards a better performance yet better implementation of ethics and integrity. Leaders in HEP UUM have been considered as role model in fostering ethics and integrity in the organisation that highly influence employees' performance. Employees tend to follows leader who are possessed leadership skill yet also exhibit ethics and integrity in their self (White & Lean, 2008).

Ethics and integrity in organisation culture also play significant role towards organisation performance. The existence of ethics and integrity in working environment guide the employees to avoid unethical activities. This is similar with the findings by Graham (2013) that mentioned the existence of ethics and integrity in organisation culture is one of the main factors to behave ethically. HEP UUM also has encouraged the existence of high collaboration between their employees in order to avoid ethical violation. This situation has increased the collaboration between HEP UUM employees and as well as increase their performance in work. This also has been mentioned in study by Nakhaie et al, (2011). Therefore, due to these significant impacts of organisation culture, leadership and, ethics training towards enhancing ethics and integrity as well as organisation performance, several of

initiatives such as talks, lecture, and workshop were extensively performed and will be continue in future.

5.3 Recommendation for Future Research

This research has investigated the role and evaluation of ethics in organisation culture, leaderships and, training towards HEP UUM in term of financial management. However, there are two recommendations for enhancing the research findings in future research. First, the findings in this study could be more flexible by conducting multiple case study of department in UUM, in order to enhance the implementation of ethics and integrity in UUM. Secondly, this study has only utilised based features of statistical analysis through SPSS. It can be more valuable for features researchers to add other statistical analysis. It can generate more reliable findings.

5.4 Conclusion

The first objective of the research is to explore organisation performance and how organization culture, leadership and ethics training and how it promotes ethical conduct towards organisation performance. HEP UUM was selected for this case study research for high cooperation and involvement from respondents. This study has been conducted through quantitative and qualitative approach. The first is to identify the level of organisation culture, leadership and ethics training implementation in promoting ethics and integrity within the organisation. To fulfil this objective, a quantitative approach has been adopted. Fourth questionnaire that were distribute in HEP UUM and only thirty nine who involved with financial management responded to the questionnaire. The respondents were asked to answer questions that related with ethics and integrity in organisation culture, leadership and,

ethics training and education. Result indicates ethics training score the highest percentage of agreement followed by leadership and organisation culture.

Each of these percentages represents the condition of ethics and integrity level for each dimension in financial management of HEP UUM. With overall score of above eighth per cent illustrates most of the employees in HEP UUM believe that their organisation do have a proper ethical and ethic in term of organisation culture, leadership and ethic training in financial management. The second objective is to investigate the relationship or ethics and integrity between organisation performance, leadership and, ethics training and education. Coloration analysis from the questionnaire has been carried out to fulfil this objective. As a result, there are positive relationship between organizational culture and leadership for $r = 0.743$ and $\alpha < 0.01$, positive relationship between organizational culture and training for $r = 0.445$ and $\alpha < 0.01$ and positive relationship between leadership and training for $r = 0.637$ and $\alpha < 0.01$.

For the third objective, the semi structured interview has been conducted with HEP UUM leader to investigate the HEP UUM performance and how organisation culture, leadership, ethics training promoting ethics and integrity towards the financial management of HEP UUM performance. After the interview with one of the HEP UUM leaders it has been concluded that the performance of financial management in HEP UUM has increased yearly by using few indicators of measurement on financial performance in HEP UUM.

The leader has highlighted the role of ethics and integrity in organisation culture, leadership and, training towards this increasing the effectiveness of financial management. Ethics and integrity in these three elements were the reasons behind this increasing. For example, ethics and integrity in these three elements has increase the awareness of ethics and integrity among the HEP UUM employees and, prepared them with skill and knowledge to deal with ethical issue, increase the communication and collaboration between employees, employees' satisfaction, productivity as well as performance of financial management in HEP UUM.



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