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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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**THESIS SUBMITTED TO MASTER OF SCIENCE MANAGEMENT  
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MASTER OF SCIENCE (MANAGEMENT)**



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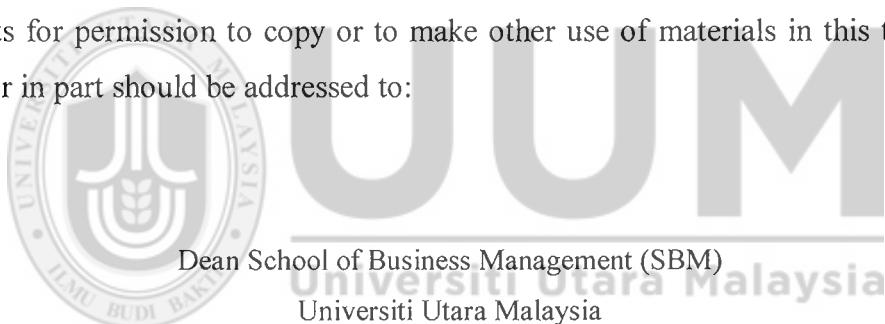
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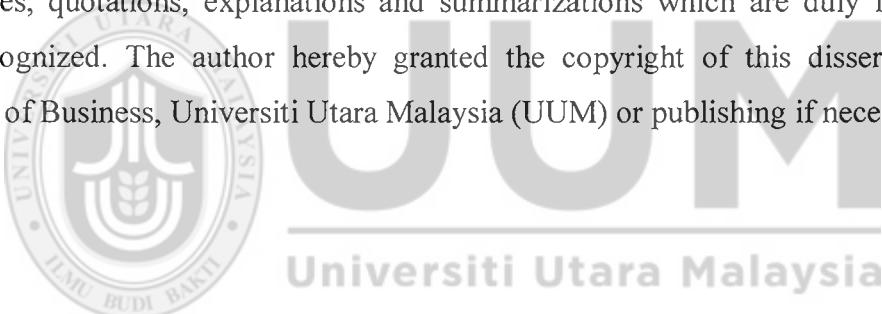
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## Abstract

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.



## 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 menjelaskan prestasi organisasi malah boleh membawa kepada kebankrapan 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 betujuan 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 kebanyakannya 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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## **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



# 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 version 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.

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