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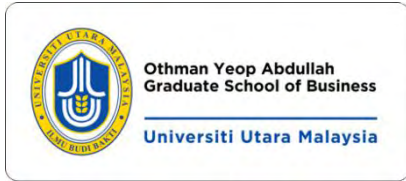
**THE EFFECTS OF NATIONAL INTEGRITY POLICY, E-GOVERNMENT AND
LEGAL FRAMEWORK ON THE PERCEPTION OF CORRUPTION PRACTICES
IN MALAYSIA: THE PERSPECTIVE OF LEGAL PRACTITIONERS**

By

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**Thesis Submitted to
Othman Yeop Abdullah Graduate School of Business
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**OTHMAN YEOP ABDULLAH
GRADUATE SCHOOL OF BUSINESS
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ABSTRACT

Corruption is a menace which has created unfavourable business environment in one country thus erodes the confidence to do business and to invest. In Malaysian context, it is claimed that the widespread of corruption practices is caused by the inadequacy in the system. This study examines the effects of the implementation of Malaysian National Integrity Policy (NIP), e-Government and legal framework on the corruption practices from the perspectives of legal practitioners. A total of 378 usable data were obtained from the legal practitioners practising in Penang, Selangor, Kuala Lumpur and Johor. The data were analysed using SPSS 22.0 and multiple regression analysis was performed to test the hypothesis relationships. The findings reveal that the legal practitioners perceived corruption practices in Malaysia as prevalent and the Government needs to be sincere, transparent and more proactive in executing the NIP, e-Government and legal framework. The results also show that the NIP, e-government and legal framework need to be more comprehensive in order to ensure that corruption can be stamped out. In general, the legal practitioners who participated in this study are generally skeptics and unsure of the Government's initiatives to fight corruption but believe that a more comprehensive and transparent efforts to fight corruptions via the NIP, legal framework and e-Government could have positive impact in curbing corruption practices. Hence, the Government's initiatives could be further improved, amended and improvised to ensure that corruption practices can be curbed. Although it is acknowledged that there are no anti-corruption measures that could fight corruption in totality, it is hoped that the more comprehensive, transparent and well-implemented NIP, e-Government and legal framework could reduce the likelihood of corrupt behaviours in Malaysia. Future research should fill in the gap by investigating other relevant factors such as religion, and government enforcement to fight corruption.

Keywords: corruption, National Integrity Policy, e-Government, legal framework in fighting corruption

ABSTRAK

Rasuah merupakan satu ancaman yang telah mewujudkan persekitaran perniagaan yang tidak menguntungkan dalam sebuah negara sekali gus menghakis keyakinan untuk menjalankan perniagaan dan melabur. Oleh sebab amalan rasuah ini dikatakan meluas disebabkan oleh kelemahan sistemik dan usaha kerajaan memerangi rasuah terutamanya dalam konteks Malaysia, kajian ini akan mengkaji kesan pelaksanaan Pelan Integriti Nasional (PIN), e-Kerajaan dan kerangka perundangan ke atas amalan rasuah dari kaca mata pengamal undang-undang. Sebanyak 378 data telah diperolehi daripada pengamal undang-undang yang beroperasi di Pulau Pinang, Selangor, Kuala Lumpur dan Johor. Data dianalisis menggunakan SPSS 22.0 dan analisis regresi berganda untuk menguji hubungan terhadap semua hipotesis. Dapatan kajian menunjukkan bahawa pengamal undang-undang menganggap amalan rasuah di Malaysia masih berleluasa dan kerajaan perlu jujur, telus dan lebih proaktif dalam melaksanakan PIN, e-Kerajaan dan kerangka perundangan. Dapatan kajian juga menunjukkan bahawa PIN, e-Kerajaan dan kerangka perundangan perlu digubal secara lebih menyeluruh untuk memastikan bahawa rasuah boleh dihapuskan. Secara umum, pengamal undang-undang yang terlibat dalam kajian ini berasa ragu-ragu dan tidak pasti terhadap inisiatif kerajaan untuk memerangi rasuah namun mereka percaya bahawa inisiatif yang lebih menyeluruh dan usaha yang telus untuk memerangi rasuah melalui PIN, e-Kerajaan dan kerangka perundangan boleh memberikan kesan positif dalam membendung amalan rasuah. Oleh itu, inisiatif kerajaan perlu diperbaiki lagi, dipinda dan diubahsuai untuk memastikan amalan rasuah dapat dikurangkan. Walaupun diakui bahawa tiada langkah antirasuah yang boleh memerangi rasuah secara menyeluruh, namun adalah diharapkan inisiatif seperti PIN, e-Kerajaan dan kerangka perundangan yang lebih komprehensif, telus dan dilaksanakan dengan baik boleh mengurangkan kemungkinan berlakunya tingkah laku rasuah di Malaysia. Kajian selanjutnya perlu mengisi jurang kajian dengan mengkaji faktor lain yang berkaitan seperti agama dan penguatkuasaan kerajaan bagi memerangi rasuah.

Kata Kunci: rasuah, Pelan Integriti Nasional, e-Kerajaan, kerangka perundangan terhadap rasuah

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LIST OF ABBREVIATIONS

1MDB	1Malaysia Development Berhad
Act 694	Malaysian Anti-Corruption Commission Act 2009
AG's Chamber	Attorney General's Chamber
AMLATFPUAA	Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001
BFM Radio	Business Radio Station
CeIO	Certified Integrity Officer
CIP	Corporate Integrity Pledge
CMS	Complaints Management Systems
CMV	Common Method Variance
CPI	Corruption Perceptions Index
CRM	Corruption Risk Management
EFA	Exploratory Factor Analysis
e-Government	Electronic Government
eSTK	Integrity Vetting System
e-Surveys	Electronic Surveys
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GST	Goods and Service Tax
GTP	Government Transformation Plan
ICRG	International Country Risk Guide
ICT	Information and Communications Technologies
IIM	Malaysian Institute of Integrity
IMF	International Monetary Fund

KMO	Kaiser-Meyer-Olkin
KPMG	Klynveld Peat Marwick Goerdeler
LOMS	Land Office Modernization System
MACC	Malaysian Anti-Corruption Commission
MACC ACT 2009	Malaysian Anti-Corruption Act 2009
MARA	Majlis Amanah Rakyat
MOF	Ministry of Finance
MYEG	Malaysian Electronic-Government
NGO	Non-Governmental Organisation
NIP/PIN	National Integrity Plan/Pelan Integriti Nasional
NKPI	National Key Performance Indicators
NKRA	National Key Result Areas
OLS	Ordinary Least Square
PEMANDU	Performance Management and Delivery Unit
PEMUDAH	Special Task Force on Service Delivery
PM	Prime Minister
PWC	Price Waterhouse Coopers
PSD	Public Service Department of Malaysia
RM	Ringgit Malaysia
SPSS	Statistical Package for the Social Sciences
TI	Transparency International Organization
TI-M	Transparency International Malaysia
UiTM	Universiti Teknologi Mara
UK	United Kingdom
UMP	Universiti Malaysia Pahang
UN	United Nations

USA	United States of America
USM	Universiti Sains Malaysia
UNCAC	United Nations Convention against Corruption
UNDP	United Nations Development Programme
URL	Uniform Resource Locator
VIF	Variance Inflation Factor
WSJ	Wall Street Journal



CHAPTER 1: INTRODUCTION

1.1 Background of the Study

Corruption is a serious epidemic that affects all countries in the world. There is no single country in the world which can claim that it is free from any corruption practices. Be it developed or developing nation, a lot of initiatives and plans have been put in place to fight and eradicate corruption from becoming a disease that can ruin their countries. According to Birney (2014), corruption is widely seen as a problem that a country will publicly prioritize and issued ambitious reforms to fight it. This is because corruption will be the menace of a country if the country is not able to control, prevent and eradicate it. It is no doubt that corruption weakens the national economy, tarnish the good name and image of a country as well as ruin the reputation of the government, leaders, business, companies, cultures and citizens in the said country. Corruption will also cause potential investors, be it local or foreign investors, to avoid from investing in the country hence, will adversely affect the economic prospect and viability of the country. Corruption practices erode the confidence to do business, to invest, create unfavourable business environment and discourage both local and foreign businessmen to set up or expand their business in the country. It is well established that bureaucracy and red tapes in doing business in a corrupt country will be a challenge to the businessman and investors. As argued by Wren-Lewis (2013), corruption is a major issue in most countries as it reduces growth and worsen productivity.

Andvig (2006) states that the bureaucratic complexity of starting a business, whether Foreign Direct Investment (FDI) or local start up and spin off companies, is always associated with the corruption indicator of a particular country. Such bureaucratic approach and corruption perception is likely to keep the FDI away. Consequently, the costs of doing

business in the country are definitely more and the costs going to escalate which will subsequently affect the economy and inflation rate. A corrupt system will surely add a direct and indirect costs to business which will affect the ability to compete for investment and innovation (Cingolani & Crombrughe, 2012) as well as the weakening of the currency of the said country (Mahalingam, 2015).

Fighting corruption is listed as the main agenda of many governments worldwide (Ayaydin & Hayaloglu, 2014). A government who violates the principal of integrity shall leads to a substantial crisis of the government's legitimacy (Eberl, Geiger, & Aßländer, 2015). Malaysia is not spared from the disease of corruption, both in terms of practices and perceptions. The Government of Malaysia has placed corruption as one of the main enemies in Malaysia and has given a lot of attention, both financially and administratively, to curb, fight and combat corruption, both in private and public sectors (KPMG-Malaysia, 2013). Effort to fight and stamp out corruption is the first and foremost agenda of the Malaysian Government since the independence day of Malaysia in 1957. As corruption cases and phenomenon always receive alarming exposure in the mass-media, there is an urgent call for the Government of Malaysia to fight the corruption practices before it can become a threat to the country ("Transforming Malaysia The Fight Against Corruption MACC Background : Transformation of MACC and Amendment of Law," 2012). This is because, as highlighted earlier, corruption will diminish the development initiative of Malaysia, discourage investments, alters the Government spending, hinders the quality life of the citizen and hinder all the local and foreign investment to Malaysia if it is not been controlled and fought at the root (Mistry & Jalal, 2012). In short, corruption has many negative and unfavourable implications on Malaysia as corruption erodes public confidence in the ability of the

Government and other Government related entities and organisations in maintaining a fair playing field for all citizen and could definitely ruining the private and public investment.

In the course of writing this chapter, Malaysia has been alarmed by two biggest corruption saga that involved the 1MDB scandal and political fund issues. Although the two main allegations are yet to be proven as true on the principle of “a man is considered innocent until proven guilty”, the allegations remains as it is and a special highest task force committee of investigation, that is first of its kind in the Malaysian history has been set up to assist the probe on the allegations. The task force consisting of four top guns chief government enforcers of the country, the Inspector-General of Police, Khalid Abu Bakar, Bank Negara Governor, Zeti Akhtar Aziz, the then Attorney General, Gani Patail and the Malaysian Anti-Corruption Agency (MACC) Chief Commissioner, Abu Kassim Mohamed are mandated to investigate on the truth of the allegation made by a column in Wall Street Journal (WSJ), a daily newspaper based in United States of America (The Star, 2015). To add salt to the injury, Malaysia’s image has been scarred by almost the same time issue that cropped Majlis Amanah Rakyat (MARA).

In retrospect, the fifth Prime Minister, Tun Abdullah Badawi, during his tenure of reign as the Prime Minister of Malaysia has pledged to fight and eradicate corruption which led him to formulate and launch the National Integrity Plan (NIP) in April 2004. The main purpose of the NIP is, among others, “...to develop a society, which is morally and ethically strong, with its members possessing religious and spiritual values that are strong and steadfast and is supported by good values” (National Integrity Plan 2004). This integrity agenda has been developed and targeted not only to the Government ministries, agencies and sectors

which are perceived as the main perpetrators of corruption but also to all cycle of Malaysian's society (Abdullah, 2008).

Despite the latest fiascos on corruption allegation in Malaysia, evidently for the past five (5) years, the Government has been seen as serious as it should, in combating corruption given the big effects and adverse repercussions to the country's overall being. Some of the initiatives taken include the strengthening and elevating status of independency of the Malaysia Anti-Corruption Agency, the setting up of Malaysian Institute of Integrity (IIM), the formulation of the National Integrity Plan (PIN or NIP) to fight corruption, the ongoing Certified Integrity Officer (CeIO) Programme organised by Malaysia Anti-Corruption Agency, the setting up of Integrity Institute in each and every respective states in Malaysia, the signing and taking oath of Integrity Pledge in most of Government Ministries and Government related agencies, the code of good governance conducts applicable to all to Malaysian companies, formulation of Integrity Pacts as well as the setting up of the Integrity Unit in each and every Ministries and related Government Agencies in Malaysia. As at to date, the creation of these Integrity Units are successful and has created a lot of positive impacts (Makinuddin, 2013).

Malaysia has created, applied, initiated and executed many blueprints, programmes, principles, procedures, institutions and the necessary infrastructures to fight corruption. There are also many other mechanisms and efforts by the Government of Malaysia to eradicate and fight corruption as demonstrated by many initiatives undertaken (Abdullah, 2008) and as mentioned in Table 1.1 below.

Table 1.1 The Government Initiatives in Fighting Corruption in Malaysia

No.	Initiatives by the Malaysian Government	References
1.	Upgrading the Anti-Corruption Agency to MACC in 2009	(MACC, 2012)
2.	Establishment of Malaysian Integrity Institute in 2004	(Jabatan Perdana Menteri, 2015)
3.	Implementation of NIP in 2004	(IIM and UN, 2007)
4.	High powered task force headed by the <i>Ketua Setiausaha Negara</i> of Malaysia	(Jabatan Perdana Menteri, 2015)
5.	Appointment of Datuk Paul Low Seng Kuan, the former Chairman of Transparency Malaysia as one of the elected Cabinet Minister of Malaysia	(Malaysian Anti-Corruption Commission, 2013)
6.	Develop a database which consists of name and details of corrupted offender database maintained by MACC	(Malaysian Anti-Corruption Commission, 2012)
7.	Increment of Deputy Public Prosecutor (DPP) stationed at the MACC (from 36 DPP in 2010 to 64 DPP in 2013)	(MACC, 2013)

Malaysia's performance in intensifying anti-corruption efforts is way ahead when compared to the same in the Middle East and African regions (Campos, Dimotva, & Saleh, 2010). Presumably, this may be largely contributed by the Malaysian Government's move in establishing its anti-corruption agency of the Malaysian Anti-Corruption Commission (MACC) as an independent commission ("Official Portal of MACC," 2015). Despite the establishment of the MACC as a dedicated agency to create awareness, prevent and curb the problem of corruptions, the Malaysian Government has also taken a big daunting initiative by

amending the laws on the anti-corruption with the newly enacted law of Malaysian Anti-Corruption Commission Act 2009 (Act 694) which came into operation on the 1st of January 2009. The main goal of the Act 694 is to promote integrity and accountability, and at the same time, preventing the epidemic of corruption, both in the government and public sectors as well as the private administration. The Act 694 is also pointed and targeted to educate the public authorities, public officials and the public at large about corruption and its negative impact on public administration, business, investor and society at large (MACC, 2012). Recently, in January 2016, one of the long due initiatives by MACC has been achieved that is the anti-corruption syllabus has been introduced to the students at the primary schools. MACC has been working since 2011, to insert the elements of anti-corruption in the teaching of the subjects to the primary school students at the young age so that they will have better understanding of the corruption as a crime. The exposure is vital to inculcate the values of integrity and nurture the dangerous effect of a corrupt country. Special training will be given to the teacher to enable them to deliver a clear anti-corruption message during the teaching and learning sessions at school. Mustafar Ali, the senior officers of MACC was quoted to say that MACC is now discussing with the Higher Education Ministry on the possibility of introducing a special module to the secondary, polytechnic and university's students (Bernama, 2016).

In 2012, the Malaysian Government has also set up five external special independent oversight committees comprising of politicians from the members of Parliaments from the Government and opposition sides, ex-Government senior officers, professionals from business and corporate sector, professors, legal practitioners and esteemed public individuals, to provide the mechanism of check and balance to monitor the MACC. Thus, the formation of the Anti-Corruption Advisory Board (ACAB), the Special Committee on Corruption

(SCC), Complaints Committee (CC), Operations Review Panel (ORP) and the Consultation and Corruption Prevention Panel (CCPP) reflect the seriousness of the Government in fighting corruption in Malaysia (MACC, 2012). Earlier, in 2011, the Government has also set up the Enforcement Agency Integrity Commission (EAIC) to monitor all integrity operations and enforcement implementations (Yaakob, 2015). The above well created committees are responsible in ensuring the MACC performs its duties without fear and favour, independent, transparent and in professional manner. The Government hopes that the setting up of the five external committees will boost the confidence of the public towards the MACC's independence, efficiency, effectiveness, transparency and accountability in executing its designated objectives and mission as well as its legal obligations.

Sadly however, despite the intensified anti-corruption efforts and the setting up of all these institutions, corruption practices continue to happen and it posed serious problem to the country. In a report issued by MACC in 2011, there were 918 persons arrested by the MACC for various offences relation to corruption and abuse of power, as contained in the MACC Act 2009 (Jawatankuasa Khas Mengenai Rasuah, 2011). The arrest was considered small as for the year 2011 alone, MACC actually has received a total of 6,475 complaints, information and reports related to corruption. From the total received, only 1304 or 24.5 percent were considered as actionable, identifiable, merits and satisfies the criteria to open the investigation papers so as to initiate investigations (Jawatankuasa Khas Mengenai Rasuah, 2011). It means that 4023 reports, information or complaints had not conformed to the criteria to open the investigation paper. The details of the statistics of operation of MACC in 2011 are in Table 1.2 below.

Table 1.2 Actions Taken on Information Received in 2011

No.	Corruption Related Information	Total
1	Corruption Related Information	1304
2	Investigation Paper	1491
3	Preliminary Investigation Paper	1541
4	Intelligence Paper	43
5	Project Paper	945
6	No Further Action	1151
Total		6475

Source: (Jawatankuasa Khas Mengenai Rasuah, 2011)

Besides MACC, the Government has also established the Malaysian Institute of Integrity (IIM) in 2004 with the Government's intention to create awareness among the Malaysians so as to curb the prevalent issue of corruption. IIM is tasked to lift and increase the level of integrity as a culture and lifestyle for Malaysians and act as catalyst and implementing the NIP in order to develop a Malaysian society that is resilient and with integrity and ethical values (Malaysian Institute of Integrity, 2004). IIM has been set up in 2004 in response to the increase demand from the integrity-conscious Malaysian society and non-governmental organizations. Besides IIM is also set up due to the understanding that IIM will administer the NIP as well as to reinforce the initiatives taken by various Government ministries and agencies to steer people away from corrupt means and socio political self-destructions (IIM and UN, 2007).

Among other key roles of the IIM are to conduct research related to the integrity of the Malaysian Government ministries and agencies, industries and institutions and the community, to organize conferences, seminars and forums on integrity and corruption, to elicit opinions from various sectors on the progress made or on the obstacles faced in implementing integrity, to publish and circulate printed materials as well as formulating and implementing training and educational programmes and strategies to enhance integrity, to recommend new policies for the enhancement of integrity and ethics, to develop a data base on integrity and ethics and to advise the Government on strategies and programs in enhancing integrity (Malaysian Institute of Integrity, 2004). Recently, IIM has also embarked on the research project on the awareness of integrity and corruption among Malaysian. IIM has also been mandated to execute the NIP, which was launched in 2004. IIM has been tasked to increase the efficiency of public service delivery system through the dual objectives of strengthening the principles of transparency, accountability and good governance as well as improving the integrity of the management and administration of public services (Othman et al., 2014).

In 2007, the Government has also issued a Guideline for Improving Governance in the Public Service with four key principles of i) integrity; ii) accountability (Shah, 2007); iii) transparency and iv) trustworthy (Hayaati & Ismail, 2011). From the aspect of integrity, they are based on honesty and objectivity, a high level of ethics and accountability in public funds and resources monitoring and management of the affairs of the department and agency. IIM is also dependent on the effective implementation of the Public Service General Orders and to the personal and professional ethics of the Public Officers (MACC, 2012). It is obvious that most of the corruption initiatives continued to focus on the public service as it is the principal and main source and location where corrupt activities begin (Cloke, 2011).

Singh et al. (2010) has listed that a poor integrity is one of the causes of corruption. However, till date, there is no formal complaint either to IIM or MACC on the effectiveness of Malaysian NIP. Waldron (2012) raised an important question to be pondered upon “Does this mean that everything is fine with the Malaysian NIP or that the Malaysian has ignored their right to complaint the NIP?” This clearly signals that a study to be undertaken to look into this matter.

The Malaysian Government also takes the effort to strengthen the Government Transformation Plan (GTP) which was launched on 28th January 2010 and one of the seven GTP agendas is aimed at fighting corruption as one of its National Key Results Area (NKRA). The Government plan on fighting corruption as laid down in GTP can be illustrated in Figure 1.1 below (JPM, 2010):

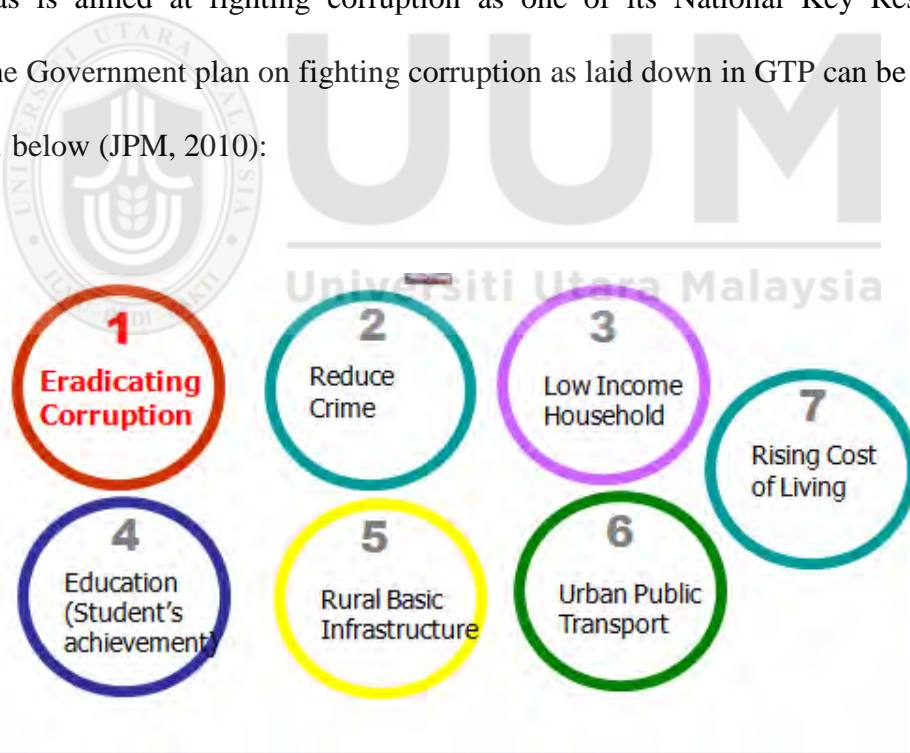


Figure 1.1 Government Transformation Plan 2010

Source: Government Transformation Programme: Catalysing Transformation for a Brighter Future

As one of the initiatives of GTP, MACC and the Attorney General’s Chamber are jointly drafting the Corporate Liability Provision so that it can be tabled to the Parliament

soonest possible and the provisions to be implemented and introduced in year 2015. The Performance Management and Delivery Unit (PEMANDU) Anti-Corruption NKRA director, Ravindran Devagunam was quoted to say that the said the Corporate Liability Provision is expected to be tabled during the Parliament sitting in 2016. He was quoted to say that “other than encourage public to come forward to work with MACC and increase the civil society pressure on fighting corruption, MACC working closely with the AG’s Chamber to introduce Corporate Liability Provision” (MACC, 2014). It means that MACC will charge the director, shareholder or owner of the corporate and companies themselves liable for offering and soliciting bribes and corruption money. Ravindran also confirmed that Malaysia has follow the model of the international best practice standards incorporated in the Foreign Corrupt Practices Act of US and the Bribery Act of the UK which have inserted and introduced the standard clauses on the Corporate Liability Provision (Hamudin, 2014). In Malaysia, much of the efforts in fighting corruption are aimed at fighting corrupt practices.

The World Bank has interpreted corruption as the abuse of entrusted power for personal and political ends (IIM and UN, 2007) and have identified corruption as the single greatest obstacle to economic and social development (Ayaydin & Hayaloglu, 2014) . If we based on the strict definition of the World Bank as stated above, definitely corruption remains a dire problem in Malaysia. The Global Competitiveness Report 2014-2015 by the World Economic Forum notes that corruption remains a key barrier for Malaysia to attract foreign investors (Porter, Sachs, & Warner, 2014).

Doubts on the implementation and effectiveness of the anti-corruption efforts aside, it is also important to praise the Malaysian Government intensified anti-corruption efforts in establishing the CeIO programme which aims to train several group of senior officers from

various public and government link agencies in Malaysia each year, since 2011, with various skills and knowledge on corruption and integrity. The CeIO well planned programme is a recognised and authorised integrity programme coordinated and conducted by the Corporate Integrity Development Centre of the Malaysian Anti-Corruption Academy (MACA) with its aim of nurturing certified integrity officers in Malaysia. Certified by the Certified Integrity Officer Accreditation Board upon completion of the training course conducted by MACC, these individuals bestowed the title of CeIO (Certified Integrity Officer). The CeIO programme is a selective part-time course open to all senior officials of organisations in both the public and private sector consisting of two annual intakes comprising of four training modules conducted over six months (A. W. B. A. Aziz, 2014).

The aims of the Malaysian Government is that as many organisations in Malaysia, both in the public and private sector will be equipped with more personnel specifically trained in moving the integrity agenda to develop an organisation culture that is infused with high levels of integrity in producing effective and efficient management and services as well as to focus on eradicating corruption. As at 17 February 2015, a total of 288 senior officials representing various public and private sector organisations have received their credentials as CeIO since its inception in 2011. The graduating batch saw an increase in participation by private sector organisations whereby MACC has also introduced a special CeIO Executive Programme for the private sectors and the programme is recently in 2013 extended and opened to foreign anti-corruption agencies. The outcome of the CeIO programme has led to new dimensions in some departments and agencies. Integrity Plans for Departments as well as Department Code of Ethics have been introduced and implemented by some of the CeIOs which were previously not implemented or introduced (Malaysian Anti-Corruption Commission, 2012). CeIO has pertinent and important role in instilling integrity in their

respective organisations so as to develop an organisation culture that breeds, heeds and practices good governance and that is the main reason why the Government has established the CeIO programme as a formal entity based on legal provisions (Kerajaan Malaysia, 2009).

The CeIO programme, running in its fifth year, is a programme to develop integrity officers equipped with the knowledge and skills in curbing corruption, abuse of power and malpractice, as well as developing integrity in moulding a culture of integrity in organisations (Malaysian Anti-Corruption Commission, 2012). The CeIO programme is in line with the government's aspiration as laid out in the fourth challenge of the National Integrity Plan in developing a society with high levels of integrity and infused with strong moral and spiritual values (NKRA E-Newsletter, 2013). CeIO is one of a kind integrity development programme organised by MACA's Corporate Integrity Development Centre, combines modules ranging from the basis of the knowledge of integrity, ethics and corporate governance; enforcement and anti-corruption laws, compliance and assessment methods as well as values-based and social responsibility activities.

The corruption neither differentiates identity, race nor religion. It can happen to anybody and it is a heinous crime that undermines the public confidence (*Sergeant Rajendran S Balakrishnan v. PP*, 2011). As such, the most difficult task to all the standing governments worldwide is to fight and curb corruption in their own territories and countries. The best remark of the decade that describes that corruption does not identify identities can be derived in the court case of Raja Azlan Shah FJ in case of *Datuk Haji Harun Bin Haji Idris v. Public Prosecutor* [1977] 2 MLJ 155 (*Datuk Haji Harun Bin Haji Idris v. Public Prosecutor*, 1977), a Federal Court Criminal Appeal at the time, when sentencing *Datuk Haji Harun Idris* has made a remarkable dictum as follows:

“It is painful for me to have to sentence a man I know. I wish it were the duty of some other judge to perform that task. To me this hearing seems to reaffirm the vitality of the rule of law. But to many of us, this hearing also suggests a frightening decay in the integrity of some of our leaders. It has given horrible illustrations of Lord Acton's aphorism 'power tends to corrupt, and absolute power corrupts absolutely', and has focussed concern on the need of some avowed limitations upon political authority.”

The Honourable Federal Court judge further add:

“...the law is no respecter of persons. Nevertheless it will be impossible to ignore the fact that you are in a different category from any person that I have ever tried. It would be impossible to ignore the fact that, in the eyes of millions of our countrymen and women, you are a patriot and a leader. Even those who differ from you in politics look upon you as a man of high ideals. You had every chance to reach the greatest height of human achievement. But half-way along the road, you allowed avarice to corrupt you. It is incomprehensible how a man in your position could not in your own conscience, recognise corruption for what it is. In so doing, you have not only betrayed your party cause, for which you have spoken so eloquently, but also the oath of office which you have taken and subscribed before your Sovereign Ruler, and above all the law of which you are its servant”.

1.2 Problem Statement

As earlier stated, corruption has been identified as one of the most widespread, prevalent and dominant challenges to any government in the world today (Chong & Ahmad, 2015). Corruption exists irrespective in rich or poor countries, Muslim or non-muslim

countries, third world or first world countries, developing or developed countries, small or big countries, as no country in the world can claim it is free from corruption. Corruption itself is an important, vital and challenging subject to study due to its often clandestine nature and the complexities of corrupt exchanges and practises which vary from each country (Williams, 2014). The only difference is the nature, extent and the pro-active or non-active action, namely the programmes and legal framework by the said country in fighting corruption (Graycar, 2015). Efforts in fighting corruption vary from one country to another. Some are more successful than others and some have failed to live up expectations. Apart from the political will, culture, social society engagements or cooperation from people, the integrity policy, the e-Government and legal framework are among the anti-corruption initiatives undertaken by the Government of Malaysia (Soltani, Jawan, & Talib, 2014). An example case as used in Eberl et al. (2015) of Siemens AG shows that corruption cases occurred due to violation of organisation's integrity. That does not include the cash gate case in Malawi whereby the senior politicians looted massive amount of money in the ugliest corrupt practices ever happened in Malawi (Malunga, 2014).

According to the Malaysian Anti-Corruption Commission (2009), corruption derives from systemic weaknesses and efforts to fight corruption aimed at eliminating these weaknesses and at the same time enhancing the integrity and transparency are necessary. In countries where corruption is high, the underground economy of its bottom and lower income citizens are also high and it is sad to note that corruption on smuggling is always associated with these countries (Andvig, 2006).

Based on the preceding discussion, it is evident that corruption weakens the standing government, resulting weakening trust to the government and the non-confidence of the three

pillars of government, that is the administration, executive and judiciary of the said country, resulting the undermine of the democratic principle and will challenge the rule of law. Corruption also leads to many other political, social and economic implications including unfair advantages to those who do their business right and in accordance to the law, which subsequently diminish the nation's confidence in the capability and integrity of the government to lead the country in a fair and just manner (KPMG-Malaysia, 2013). Relating this to the context of Malaysia, there are some concerns in the foreign investor's mind that doing business in Asia Pacific, including Malaysia, carries some inherent risks associated with corruption and integrity (Ernst & Young Global Limited, 2013).

Till date, there are many researches that have dwelled into how corruption scandals happened in Malaysia. With an exception to the studies by IIM, very few has looked into the implementation of the Government initiatives in curbing corruption in Malaysia. It is observed that despite many rules and procedures created to fight the corruption practices and intentions, corruption still persists. The original intention of these rules and procedures are formulated for good intention and in good faith that is to prevent abuse of power and excessive government officers' discretion. However, most of the time, this good intention has been exploited by the government officers with criminal mind to practise corruption.

In order to avoid the adverse impact to the Malaysian's economy and administration, the Government has put a lot of emphasis and efforts to prevent the ill intention and practices of corruption from the root causes itself. Among the main players of corruption are dominant and supremacy of power, bad judgment, getting rich in the wrong way and lack of accountability and integrity (Mistry & Jalal, 2012; Singh et al., 2010). A review of the literature as well as official reports has linked corruption with various factors. Among the

reported prevalent factors that lead to corruption are 1) human interference in dealing with procurement and contracts (A. Neupane, 2014); 2) less monitoring (Victor Alistar, Elena Calistru, 2010); 3) minimum transparency in dealing (Armstrong, 2005; Mistry & Jalal, 2012); 4) not effective integrity plan (MACC, 2012); 5) wrong human discretion (Mistry & Jalal, 2012); 6) no comprehensive Standard Operating Procedure in purchasing contracts (Six & Lawton, 2013); 7) conflict of interest (A. Neupane, 2014 & Asongu, 2013); 8) loopholes in the procurement (Taufik & Abdullah, 2010); 9) red-tapes and bureaucracy (Azfar, Lee, & Swamy, 2001); 10) manual transaction in purchasing and procuring contracts (W. S. Yusoff, 2011); 11) Raise public expenditure (Mistry & Jalal, 2012); and 12) Monopoly of power ((Kaufmann, 1997) (Mistry & Jalal, 2012).

Clearly, the Malaysian Government is very committed to tackle the issue of corruption via its National Key Performance Indicators (NKPI) (Jabatan Perdana Menteri, 2015). Among other, the aim of NKPI are: 1) reduce corruption through strengthening administration, enforcement, action and command; 2) raise and ameliorate the TI-M Corruption Index ranking; and 3) boost and build the *rakyat's* good perception of the integrity of the Government and civil service. There have also been many suggestions, think-tanks talks, seminars, conferences, meetings and order on ways to curb and reduce the corruption practices via reducing red-tapes, increasing awareness of integrity policy, transparency, strengthening the standard operating procedures and the use of integrated computer systems in procurement of contracts (Six & Lawton, 2013). Despite all the efforts, the corruption is still happening whereby in a survey done in 2014, 45 percent of the respondents said that they have been asked to pay bribe at one point in time in the past (Transparency Malaysia, 2014).

An analysis carried out by the Merdeka Centre in December 2014 as a joint collaboration project with the Business Radio Station (BFM Radio) in conjunction with the World Anti-Corruption Day, which falls on 9th December each year, has reported that 77 percent of Malaysian interviewed, alleged that the occurrence of corruption in the country to be serious. This data of perception appears unchanged compared to the similar related analysis conducted in August 2005 and June 2012 which found out that more than 76 percent and 78 percent, respectively saying that corruption was seriously common and widespread in Malaysia. The survey by Merdeka Centre showed corruption in this country is still very serious and that the Government has not done enough (Bureau of Democracy, 2013).

It is estimated that corrupt practices cost of the gross domestic product 2 percent of Gross Domestic Product (GDP), indicating that such practices do not only disrupt individual businesses but have far wider impacts across national social and economic development (Companies Commission of Malaysia, 2014). Corruption adds up to 10 percent to the total cost of doing business globally, and up to 25 percent to the cost of procurement contracts in developing countries. In 2012, a world report issued by Price Waterhouse Cooper stated that the cost of private sector corruption was over US\$500 billion in 105 developing countries. This excludes public sector corruption whereby 27 percent of US companies experienced procurement fraud in 2013 (PricewaterhouseCoopers, 2014). In a very recent report released in December 2015 by a reputable Global Financial Integrity, "*Illicit Financial Flows from Developing Countries: 2004-2013*," the Global Financial Integrity reports that the developing and emerging economies lost USD \$7.8 trillion in illicit financial flows from 2004 through 2013, with illicit outflows increasing at an average rate of 6.5 percent per year, nearly twice as fast as global GDP (Kar & Leblanc, 2015).

Malaysia is listed together with India, China and Indonesia in term of illicit cash flow. As bulk of cash flow includes corruption monies, the source is reliable to be included in this study to show the non-integrity monies that have been flowing out of the country. Below is Figure 1.2 which provides the reflection of the illicit money as reported by Global Financial Integrity in 2015 (Kar & Leblanc, 2015).

Rank	Country	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Cumulative	Average
1	China, Mainland	81,517	82,537	88,381	107,435	104,980	138,864	172,367	133,788	223,767	258,640	1,392,276	139,228
2	Russian Federation	46,064	53,322	66,333	81,237	107,756	125,062	136,622	183,501	129,545	120,331	1,049,772	104,977
3	Mexico	34,239	35,352	40,421	46,443	51,505	38,438	67,450	63,299	73,709	77,583	528,439	52,844
4	India	19,447	20,253	27,791	34,513	47,221	29,247	70,337	85,584	92,879	83,014	510,286	51,029
5	Malaysia	26,591	35,255	36,554	36,525	40,779	34,416	62,154	50,211	47,804	48,251	418,542	41,854
6	Brazil	15,741	17,171	10,599	16,430	21,926	22,061	30,770	31,057	32,727	28,185	226,667	22,667
7	South Africa	12,137	13,599	12,864	27,292	22,539	29,589	24,613	23,028	26,138	17,421	209,219	20,922
8	Thailand	7,113	11,920	11,429	10,348	20,486	14,687	24,100	27,442	31,271	32,971	191,768	19,177
9	Indonesia	18,466	13,290	15,995	18,354	27,237	20,547	14,646	18,292	19,248	14,633	180,710	18,071
10	Nigeria	1,680	17,867	19,160	19,335	24,192	26,377	19,376	16,321	4,998	26,735	178,040	17,804
Total of Top 10		262,994	300,565	329,526	397,912	468,623	479,289	622,435	634,524	682,086	707,765	4,885,718	488,572
Top 10 as Percent of Total		56.5%	57.3%	60.6%	56.9%	56.6%	64.2%	68.7%	63.0%	65.8%	64.9%	62.3%	-
Developing World Total		465,269	524,588	543,524	699,145	827,959	747,026	906,631	1,007,744	1,035,904	1,090,130	7,847,921	784,792

Figure 1.2 Illicit Financial Outflows of top ten source economies from 2004-2013
Source: Illicit Financial Flows from Developing Countries: 2004-2013

In a survey conducted in 2009, it was reported that 67 percent of the respondents interviewed by the Global Corruption Barometer believed that the Malaysian Government is still slack in fighting corruption and the methods used by the Government was ineffective processes (Jabatan Perdana Menteri, 2015). It has been reported that 61 percent of companies in Malaysia do not have adequate procedures to combat bribery & corruption (PricewaterhouseCoopers, 2014). The Malaysian Corruption Barometer 2014 reported that

49 percent of the respondents interviewed said that they will not report an incident of corruption to the authorities. Among the reasons of non-reporting are afraid of reprisals (46 percent), do not know where to report (27 percent) and wouldn't make any difference if the report lodged (27 percent) (Transparency Malaysia, 2014).

Andvig (2006) in his research linked GDP as determining factor for corruption level as well as the trade, exports and FDI policies. The main key model is, export determine GDP and GDP determines corruption. It means that the higher GDP of a country, the more loss due to the act of corruption will be faced by the said country. This is illustrated in figure 1.3 below:

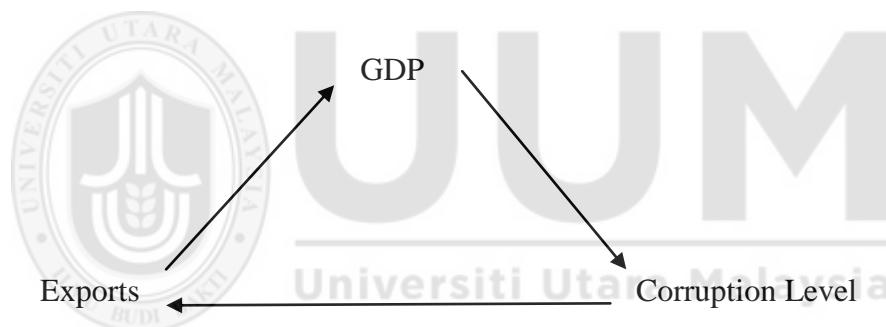


Figure 1.3 Triangle Dots among GDP, FDI and Corruptions

The statistics of corruption in Malaysia is very alarming. The 2013 record from the MACC showed that MACC received 7927 information and complaints of corruption from the public. Out of 7927, MACC had classified about 4027 complaint and information which may have merits and basis. The remaining 3900 information were classified as information not in the corruption category. From the 4027 information, MACC's investigator had categorised 976 (24.2 percent) information that fulfilled the criteria to be pursuit and prosecuted whereby 3051 (75.8 percent) were categorised as No Further Action (NFA) due to

lack of evidence for prosecution (MACC, 2013). The statistics and breakdown of the corruption cases handled by MACC are summarised in Table 1.3 below.

Table 1.3 Statistic of Corruption from 2010-2013

No.	Year	Total Complaints Received	Investigation File Opened	Individual Arrested	Sources
1.	2010	5646	1151	350	(MACC, 2010)
2.	2011	6475	1304	918	(MACC, 2011)
3.	2012	6821	2301	701	(MACC, 2012)
4.	2013	7927	4027	509	(MACC, 2013)

Source: (MACC, 2013)

It was reported by MACC that the number of individual arrested in 2013 was low due to the concentration by MACC on the high profile cases (MACC, 2013). In 2013, MACC has produced a more sustainable and comprehensive report of its operation compared to the previous years. In 2013, the following statistics were reported by MACC as enunciated in Table 1.4:

Table 1.4 Statistics of Corruption Handled by MACC in 2013

No.	Individual charged in Court	Accused Found Guilty by Court	Fines Imposed by the Court	Property Seized	Appeal Cases Won by MACC	No. of Government Officers Arrested	No. of Public (Orang Awam) Arrested
1.	289	242	RM11,567,130.00	RM37.6 million	81 out of 107 appeal cases	177	332

Figure 1.4 shows the categories of offences relation to corruption that has been investigated by MACC in 2013.

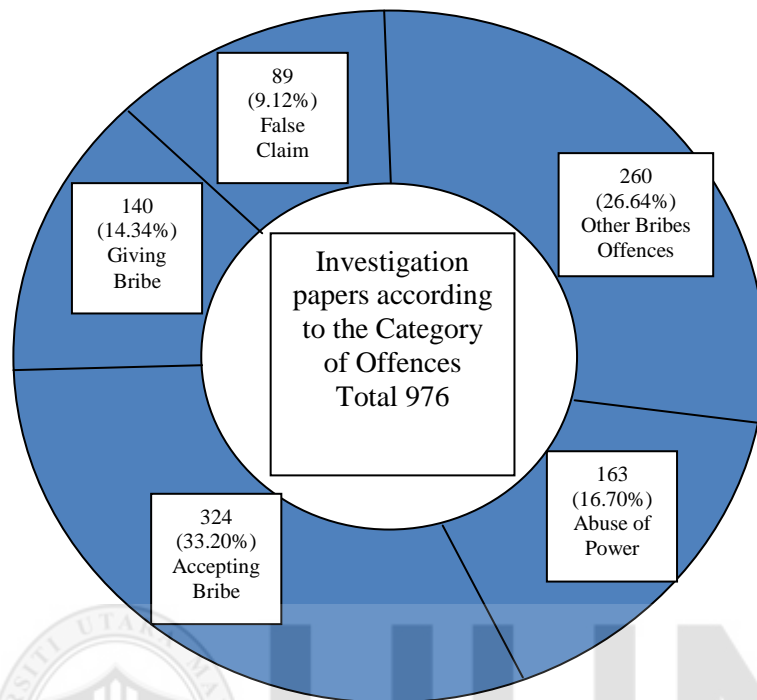


Figure 1.4 *Investigation Papers According to the Category of Offences*

As such, despite all the efforts by the Government of Malaysia in combating corruption, it seems that the stigma and negative perception of the public against corruption remains relatively high. The everyday reports in the newspaper coupled with the latest 1MDB and public fund, augment the negative perceptions toward government efforts in fighting corruption. It is apparent that corruption still prevails and worst still as seen by many, increasing rather than decreasing. It is against this backdrop that the topic is chosen and serves as the main motivation of the study. Specifically, the study aims to examine the implementation effects of the three (3) main Government anti-corruption strategies and initiatives, namely the National Integrity Policy (NIP), the e-Government and the legal framework that have been implemented in Malaysia on the perceptions of corruption practices.

1.3 Research Questions

Corruption practices have been influenced by many factors and extents. Corruption robs our nation's wealth and resources (Jabatan Perdana Menteri, 2015). The number of corruption cases in Malaysia is rising but the even bigger cancer of corruption is also eating the fabric of ethics and integrity in Malaysia (Pandiyan, 2015). The mindset of the next generation will be embedded with the non-integrity set (Men, 2015). Malaysia over the past three (3) years under the GTP has come far from laying a foundation to discourage corrupt practices to institutionalizing best practices that will defeat organizations, policies and the whole legal system. As such, the present study attempts to understand the effects of three (3) Malaysian Government efforts and initiatives, namely NIP, e-Government and legal framework in curbing the corruption practices.

The study poses the research questions surrounding the basis and set of tools required to advance the anti-corruption initiatives and efforts in Malaysia. The NIP, e-Government and legal framework are discussed as some of the basic prerequisite systems or mechanisms to sustain a fight against corruption in various forms and at various levels.

Therefore, the research questions that the study seeks to find answers include the following:

- 1) Does the NIP implementation have an impact on the corruption practices in Malaysia?
- 2) Does the e-Government implementation have an impact on the corruption practices in Malaysia?
- 3) Does the existing legal framework implementation have an impact on the corruption practices in Malaysia?

The above research questions can be sum up in the model as enunciated in Figure 1.5 below:

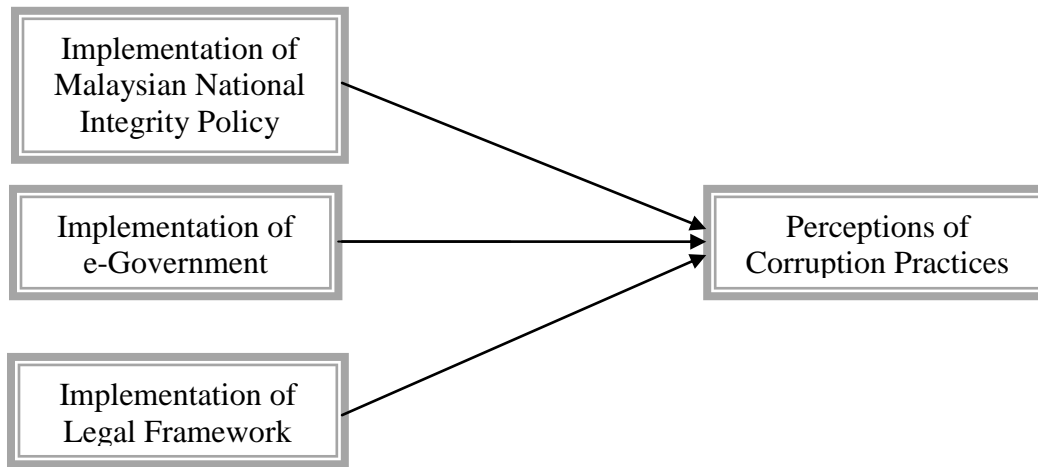


Figure 1.5 Research Model

1.4 Research Objectives

As Government top-down initiatives are said to be crucial in fighting corruption (MACC, 2009), this study seeks to examine the effects of the NIP, e-Government implementation and legal framework on the corruption practices. It is the major contention of this study that it is vital for the Government of Malaysia to develop effective, strong and integrated independent variables to fight corruption. The Government must ensure that it has its own workable strategies, long term plan as well as good working initiatives and plans in order to fight corruption from being the widespread phenomenon in Malaysia. Implementing effective and proven independent variables to fight corruption can be measured by increasing the confidence in the public that the Government is fighting the corruption correctly and effectively. PEMUDAH estimated that corruption has cost Malaysia as much as Ringgit Malaysia (RM) 10 billion a year or equivalent to 1-2 percent of Malaysian GDP (Jabatan Perdana Menteri, 2015). In view of the adverse impact of corruption as reported by

PEMUDAH, the objective of this study is to identify possible solutions to remedy corruption in Malaysia.

As such, the objectives of this study include the following:

- 1) to examine the effect of the implementation of NIP in reducing the perceptions of corruption practices in Malaysia;
- 2) to investigate the effect of the implementation of e-Government in reducing the perceptions of corruption practices in Malaysia;
- 3) to examine the effect of the implementation of the existing legal framework in reducing the perceptions of corruption practices in Malaysia.

1.5 Scope of the Study

In order to achieve the set objectives, this study seeks feedback from the legal practitioners. This is because, legal practitioners are said to have vast knowledge and are well informed about corruption and the procedural loopholes on why corruption continues to be the prevalent problem to Malaysia (Siddiquee, 2014). To simply put, legal practitioners are chosen due to the nature of their profession that are often exposed to and dealt with corruption cases in court and outside court. The legal practitioners have relevant knowledge, advises, skills and experience in understanding corruption through NIP, e-Government and legal framework. In this regards, the legal practitioners' opinions on whether the Government effort and initiative via NIP, e-Government and legal framework reduce corruption practices is seen crucial that could possibly reflect the real corruption scenario in Malaysia.

For the purpose of this study, a legal practitioner is defined in the Malaysian Legal Profession Act 1976. Section 2 of the Legal Profession Act 1976 provides that an “advocate

and solicitor”, and “solicitor” means an advocate and solicitor of the High Court of Malaysia admitted and registered under the Legal Profession Act 1976 or under any written law prior to the coming into operation of this Act (Legal Profession Act 1976, 2006). Legal practitioners are professionals and are bound by the ethical codes of conduct that set by the Malaysian Bar Council (Dillon, 2013). It is worth to state that the study may also include the registered legal practitioners with the Malaysian Bar Council (his/her name must be in the legal directory of the Malaysian Bar Council), who are currently working as the Deputy Public Prosecutor (DPP) with the Malaysian Government, but who have been called to the Malaysian Bar pursuant to the Legal Profession Act 1976.

Practising law in a legal firm is the most traditional career choice. A newly qualified graduate from a law school or university that is recognised by the Malaysian Legal Qualifying Board Upon must undergo and complete the nine (9) months of the pupillage or chambering period before he or she become a full-fledged legal practitioners to practise law. Immediately after the pupillage period, he can be admitted as a qualified legal practitioner as defined in the Malaysian Legal Profession Act 1976. If the said legal practitioner chose to work with a legal firm as a salaried legal practitioner, then he is regarded as legal assistant of the said firm. Normally, after three (3) to five (5) years, he may be promoted to become a Senior Legal Assistant or a Senior Associate.

Alternatively, when a Legal Assistant works with a relatively small to mid-sized law firm, he may be made straight away a partner to the said legal firm. In most reputable or large law firms, a legal assistant will only be admitted as a Partner after he/she has acquired at least seven to eight years’ post-qualifying experience as legal assistants. In general, there are two types of partnership in Malaysia: salaried or equity partner. As a salary-earning

partner, a legal practitioner is not entitled to profit-sharing of a law firm. In reality, he is still considered as an employee, as opposed to an owner of the firm, which will pay a legal practitioner a monthly salary plus a discretionary year-end bonus. On the other hand, an equity partner is a co-owner of the firm where a legal practitioner will get a fixed percentage of the profit-sharing of the firm's total net profit. Alternatively, a legal practitioner can choose to set up his/her own legal practice and become a sole proprietor or partner by himself.

The scope of the study includes the four (4) states of Penang, Federal Territory of Kuala Lumpur, Selangor and Johor only as these are the states where almost more than half of the legal practitioners registered with the Malaysian Bar are actively practising in these four (4) states. Table 1.5 and Table 1.6 below depicted the latest, i.e., 2014's statistics of the number of legal firms as well as number of legal practitioners in Peninsular Malaysia.

Table 1.5 *Number of Legal Firms by States in Peninsular Malaysia and Wilayah Persekutuan Labuan*

State	No. of Legal Firms
Johor	619
Kedah	235
Kelantan	189
Melaka	187
Negeri Sembilan	239
Pahang	194
Penang	554
Perak	394
Perlis	23
Putrajaya	1

Selangor	1686
Terengganu	125
Federal Territory of Kuala Lumpur	1883
Federal Territory of Labuan	10
Total	6339

(Source: Find a lawyer, Malaysian Bar Council, <http://www.malaysianbar.org.my/>)

From Table 1.5 above, there are about 6339 law firms in all the 13 states in Peninsular Malaysia and Federal Territory of Labuan. The numbers keep increasing daily as there are more and more new legal practitioners setting up their own legal practice. The number does not include those legal firms in Sabah and Sarawak as they are set by their own rules and regulations and law society in their respective states of Sabah and Sarawak.

There are more than two third (2/3) of the legal firms in Peninsular Malaysia are located in these four states of Penang, Selangor, Federal Territory of Kuala Lumpur and Johor. There are nearly 4742 legal firms in these respective states alone out of 6339. It is about 75 percent from the total number of legal firms in Peninsular Malaysia and Federal Territory of Labuan. The figures show that the volumes of legal and advisory works are normally concentrated in these four (4) states.

Table 1.6 *Number of legal practitioners by State in Peninsular Malaysia and Federal Territory of Labuan*

State	Number of Legal Practitioners
Johor	1103
Kedah	413
Kelantan	329

Melaka	364
Negeri Sembilan	375
Pahang	347
Penang	1135
Perak	695
Perlis	35
Putrajaya	2
Selangor	3335
Terengganu	223
Federal Territory of Kuala Lumpur	6215
Federal Territory of Labuan	12
Total	14583

Source: (Find a lawyer, Malaysian Bar Council, <http://www.malaysianbar.org.my/>).

Table 1.6 demonstrates that more than two third (2/3) or precisely 80 percent of the legal practitioners' populations are concentrated in the Penang, Selangor, Federal Territory of Kuala Lumpur and Johor. It is evident that there are nearly 11,788 legal practitioners actively practised their profession in these four states out of the total 14,583 legal practitioners in Peninsular Malaysia and Federal Territory of Labuan. Malaysia's biggest and most reputable and established legal firms are mostly operated and managed in Kuala Lumpur, Johor, Penang and Selangor, where competition is very aggressive and fierce. More often than not the practices in large firms are broad-based, which covers areas related to banking and finance, intellectual property, employment and taxation.

In Penang itself, there are about 1135 active legal practitioners, practising in the 554 legal firms in the state. This number is considered a big number as in early 1990s, there were

approximately a handful of 250 legal practitioners only in the state of Penang (Kharas, Zeufack, & Majeed, 2010). In Selangor, there are about 3335 active legal practitioners, practising in the 1686 legal firms in the state. Whereby in Federal Territory of Kuala Lumpur, there are about 6215 active legal practitioners, practising in the 1883 legal firms in Federal Territory of Kuala Lumpur and in Johor, there are about 1103 active legal practitioners, practising in the 619 legal firms. As stated earlier, as at 2015, Malaysia has about approximately 15,000 practicing legal practitioners, with an approximately more than one thousand graduates joining this honorable profession every year.

1.6 Significance of the Study

It has been reported that the rate of corruption in developing countries are much higher than those of developed nations. The reason being is, as argued by Pearlman (2015), in developing countries, the process of early capitalism is largely controlled by the governments. While it may be true to most of the developing countries, the frequency of corruption and its sequel and reaction are widespread, not easy to be identified and different because of the territorial and country's capabilities, politics, policies, cultures and social contexts vary widely.

It is hoped that this study will provide insights, design, and strategic decisions into the implementation of the Malaysian Government transformation plan via NIP, e-Government and legal framework in reducing the practices of corruption practices in Malaysia. At the moment, there is no micro-level study in combining these three independent variables on the corruption practices. Analysis of the corruption patterns will provide reformation to improve the initiatives of the Government of Malaysia, hence reduce corruption vulnerabilities.

This is crucial given that the practices of unresolved and unattended corruption epidemic will lead to various problems which include:

- 1) undermining public trust in government;
- 2) wasting public resources and money;
- 3) causing injustice through advantaging some at the expense of others;
- 4) inefficiencies in administration and operations;
- 5) reputational damage to the government;
- 6) integrity of judiciary;
- 7) prosperity of *rakyat*;
- 8) collapse of business dealings and investments.

It is obvious that the impacts of corruption shall definitely affect the most susceptible people in the community. This is because, the prevalent corruption practices shall always has an impact of deterring investment, incapacitate economic growth and erode and compromise the legal system and rule of law (Ernst & Young Global Limited, 2013). As such, the findings of this study will also examine the role and implication on how the Government agencies, particularly the main enforcement agencies such as Police, MACC, Royal Malaysian Customs, Immigration Department and Road Transport Department to joint and fight in eradicating corruption. It is believe that this study will benefit the Government as well as both the academics and the chief public administrators who would like to strategise and enhance the programmes and initiatives in fighting corruption as the current report of Ernst & Young in 2014 reported that about 39 percent of respondents in their poll believed that bribery or corrupt practices has been a disease and habitual practices that occurs widely in Malaysia (Ernst & Young Global Limited, 2013).

Definitely corruption need to be fight or else, we does not want to see when everything else around us are so bad and the system and policy are so wrong, whether we could still do right amidst all the mess around us and whether we could stand straight and do the right thing amidst everything else. It is hope that this study will offer a diagnosis and advice on the potential governance change in NIP, e-Government and legal framework. In the latest 16th International Anti-Corruption Conference held in Putrajaya in August 2015, the conference has discuss extensively on the practices that are effective and potential to discourage corrupt practises and increase integrity among the citizens.



CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

It is without doubt that corruption hinders and slows down a nation economic and development (Nordin, 2014). Corruption act will create fear, impact industries and invariably bring about a loss of confidence to investors. As stated at the outset, the focus of this study is to examine the effects of NIP, e-Government and legal framework on the corruption practices in Malaysia. To the best of the researcher knowledge, there is no research that combines all the above three independent variables on the corruption practices. There is no available reference on the effects of these independent variables on corruption. There are many somewhat different definitions of corruption. Among the well-used definitions of corruption practices are illustrated in table 2.1 below.

Table 2.1 *Definitions of Corruptions*

No.	Definition of Corruption Practises	Author and Reference
1.	Behaviour that deviates from the normal duties of a public role because of private regarding wealth or status gains.	Nye (1967) (Abraham & Pane, 2014)
2.	The exercise of public power for private gain.	(Treisman, 2000)
3.	Corruption is an illicit conduct and takes place secretly when no one is watching.	(Batory, 2012)
4.	Corruption is also defined as the abuse of public power for private benefit.	(Abdullah, 2008), (Wren-Lewis, 2013)
5.	Corruption is when an individual uses his position to the advantage of a third party and thereby receives money	Rose Ackerman (1978)

or other economically valuable goods or services for his own aims.

6. Corruption is when a set of rules about the proper (Andvig, 2006) procedures for transaction, when a person acts corruptly broke the mode and procedures.

7. Abuse of any sort of entrusted authority (Abraham & Pane, 2014)

As it is always said that corruption is the abuse of public office for private gain, hence, the definition of corruption is a broad meaning encompassing all practical categories of corruption that we encounter in reality, especially in the Government and private sectors. It is best to laid down at the beginning of this study that despite there are many definitions of corruption globally, this study will only use the exercise of public power for private gain and private benefit as the operational definition of the study. This is because, if the study did not focus on the operational definition, the definition of corruption itself is a vast and varies in accordance to the countries in the world (David & Dumanig, 2014).

According to Singh et al., (2010, p. 258) there are nine (9) key contributors that led to the prevalent of corruption namely: 1) Lack of transparency and accountability in the legal framework; 2) Lack of effective corruption law and reporting mechanisms; 3) Lack of honesty in officials in the government; 4) Acceptance of bribe as a way of life; 5) Custom and culture; 6) Ineffective judiciary; 7) Poor economic policies; 8) Poor integrity policy; and 9) Inadequate training and orientation of government officials.

Several other factors contributing to corruption practices have also been identified which include “political patronage, politician-bureaucrat connections, politician-police-criminal

links, issues of transparency in government and bureaucracy, accountability, complicated administrative procedures, discretionary powers of executives, absence of effective corruption reporting mechanisms, lack of deterrent punishments, poor convictions rate of corrupts, corrupt judiciary and poor economic policies” (Singh et al., 2010). Eradicating these elements and drivers shall inevitably help combating corruption and it is healthy for economic development (Abdullah, 2008). It is said that the most corrupted practises actually break the rules. Corruption can be reduced if the standards and procedures associated with human, financial and technology, legal and policy are transparent and widely understood by all stakeholders groups (Poisson, 2010).

The United Nations Handbook on Practical Anti-Corruption Measures for Prosecutors and Investigators (Costa, 2004) listed the more commonly experienced types of corruption, which include the following:

- 1) **PETTY CORRUPTION** – this petty corruption is also known as administrative corruption. The petty corruption involves the exchange of small or very small amounts of cash money and/or the granting of small considerations, favours or assistances. Notwithstanding, the impact of petty corruption is very impactful as it shows the reality of the corruption arena and it is like an epidemic disease which is spreadable and can result in considerable public losses. Petty corruption is regarded as flies and is characterised by lower level government officials who may have opportunities to do things that are wrong (Graycar, 2015);
- 2) **GRAND CORRUPTION** - it spreads through the highest levels of administration and management, notwithstanding the public or private sector, bringing about major

abuses of power, disobedience of the rule of law, economic instability and the breakdown of good governance. Graycar (2015) has stated that grand corruption relates to politicians manipulate the instruments of their own state for their personal benefit and thus terribly distort the integrity policy. The 2015 CPI shows that grand corruption remains a blight around the world. But 2015 was also a year when people again took to the streets to protest corruption. Jose Ugaz was quoted to say that “People across the globe sent a strong signal to those in power as it is time to tackle grand corruption” (Transparency International, 2016);

- 3) **ACTIVE AND PASSIVE CORRUPTION** - this type of corruption refers to the act of offering or paying a bribe, where the handing over of money or asset as the bribe has taken place. This also include the situation of request or receiving of a bribe whereby a bribe was offered but not accepted;
- 4) **BRIBERY** - bribery is the most common form of corruption. It is described as the act of giving or granting a benefit in order to gain back some illicit consideration or influence an action or decision. The bribery may take form in the kind of monetary cash, company’s capital or shares, confidential and inside information, sexual or similar other favours, leisure and travelling, employment or future benefits such as a guaranteed retirement job. The corrupted object or means can be passed directly to the person bribed, or indirectly to a third party such as a friend, family member, partner, associate, identified organisations and non-governmental organisations, private business, political party or even to election campaign manager for political purpose. It is said that once bribery has occurred, it can always lead to the other forms of corruption;

- 5) EMBEZZLEMENT, THEFT AND FRAUD - embezzlement involve robbing or stealing by a mandated or trusted individual who is exploiting his or her position of employment. Fraud may also involve the deliberate act to deceive in order to secure unfair, unlawful, false or misleading information to tempt or persuade an owner of a property to part with it voluntarily. Theft may also falls within the corruption definitions when it is regarded as taking of another person's property without the owner's permission or consent, where it occurs, carrying with it as it does, a breach of a fiduciary duty;
- 6) EXTORTION – it relies on coercion of obtaining money, property or services from a person whereby it induce cooperation, such as threats of violence or the exposure of sensitive information;
- 7) ABUSE OF FUNCTION – reflects the misuse of role and position and the failure to perform an act in accordance to the law in order to obtain certain benefit or advantage to oneself;
- 8) FAVOURITISM AND NEPOTISM - it involve abuses of discretion which relates to promoting certain benefit or advantaged not to oneself but those in close connections with the person i.e., family members, political affiliations, or religious groups;
- 9) CREATING AND EXPLOITING CONFLICTING INTEREST – involves the creation or exploitation of conflicts among those with professional responsibilities for one's own vested interest. Often in both public and private sectors, officials are facing

various types of dilemma that may lead to this form of corruption. Organisations having clear codes of conduct may be in a better position to combat this form of corruption;

10) IMPROPER POLITICAL CONTRIBUTION – it refers to the contributions or so called “gift” made with the intention or expectation that the political party will continue to rule the country or, once in office, unduly favour the interests of the donor. This is the most illicit way of corruption and it practically the same as to the payment of a bribe(David & Dumanig, 2014);

11) STATE CAPTURE – it refers to situation where legislation and Acts of Law have been enacted by the legislature or parliament in a corrupt manner so that the law gives benefit to the government in power (Graycar, 2015).

Besides, there is also transnational corruption whereby this category of corruption involves the practice of wiring corrupt payments from public officials of one country into other public officials of another country to secure contract and influence (Gutterman, 2015). This corruption of crossing borders to foreign officials is said to be legitimate in some countries. For example, countries such as Austria, Belgium, Germany and Portugal allow such practices of corrupting officials of another nation (Gutterman, 2015).

As corruption has become important policy concerns and has seeped into many national policy agendas and econometric today in this economic openness, the corruption practises differ widely among the countries (Andvig, 2006). As small, petty and big corruption has become common practices in many transaction, the above question has

become more and more important to be answered and researched to (Transparency International 2011). It is interesting to refer to the report on Human Development in South Asia 1999 which concludes that corruption is one of the most detrimental causal effects and consequences of poor governance. Corruption undermines trade growth, investment opportunities and definitely the economic development too. It also decreases the wealth available for the country's investment goals, larger the gap on poverty, bad perception on the legal and judicial system as well as undermines the legality and democracy of the particular country. To add on, when corruption becomes deep-rooted, the effect of corruption itself will devastate the entire stability, economic, political and social structure of a country. Corruption will lead to another corruption as it is said to be the endemic disease and any failure to battle corruption, will lead to an era of ingrained corruption (Haq, 1999).

It is interesting to note that there are few researches that suggest corruption is “payment of speed and efficiency for the rich”, there are evidences that countries with high levels of corruptions, the poor has to give “coffee money” or bribe to get some of the basic needs and services from the government (Mistry & Jalal, 2012). A study in Turkey shows a positive impact of corruption whereby it was said that corruption could increase economic development whereby corruption monies is considered as speed money which could fast track bureaucratic delays, works as incentive to work harder and efficient (Ayaydin & Hayaloglu, 2014). Research on corruption is important as it is the lead element towards crafting an efficient anti-corruption strategy by the government (Stulhofer, A., Kufirin, K., Caldarovic, O., Gregurovic, M., Odak, I., Detelic, M., 2008).

United Nations Development Programme (UNDP) has made it clear to all countries that the war against corruption is a must in order to strengthen the democratic governance and

enhancing the integrity and accountability in the government administration (IIM and UN, 2007). The extent of corruption in Asia is alarming, increasing and has domino effect (Abraham & Pane, 2014). Corruption in a society will deter any foreign investors from investing in the said country and this will in turn affect the economy of the country (“Sergeant Rajendran S Balakrishnan v. PP,” 2011). Corruption generally comprises of activities which are not obvious and hidden in nature. No one will declare he commits corruption and hence, corruption is an offence of deliberately hidden, secretive, non-disclosed, undetected and requires investigation (Hearn, 2014) .

The most commonly used measure for corruption is the one adopted and formulated by TI that is Corruption Perceptions Index (CPI). The CPI index is available since 1995 and the TI report covers approximately 177 countries (as at 2014) around the world (Hearn, 2014). The CPI score is a perception measure that reflects the degree and gravity of corruption in that particular country as perceived by business people and country analysts. The index ranges from 10 which denotes highly clean to 0 which denotes highly corrupt. The perceived corruption in any country is typically measured by CPI which evaluates nations around the world based on 13 surveys from 12 high level international institutions that include the World Bank and the World Justice Project. While the results are based on ‘perception’, it is well established that many international companies and businesses around the globe usually consult the CPI when estimating the risk of corruption in different countries before they embark into new ventures or businesses (Companies Commission of Malaysia, 2014).

The other most popular evaluation for corruption is from International Country Risk Guide (ICRG) of the Political Risk Group which attributes lower values for higher levels of

corruption (Transparency International, 2014, Campos et al., 2010). The ICRG data contains annual country level data which allows for comparisons between years and countries and contains observation for the entire period for which there are data on countries' performance (Wren-Lewis, 2013). A full sources of data and information on corruption and integrity can be found in the list in Annexure 4 herein (Lanyi & Azfar, 2005).

Malaysia is not spared by the disease of corruption. Corruption is hurting the social structure in Malaysia. In a survey held in 2014, it was reported that only 28 percent of Malaysian feel that Malaysia's effort in curbing corruption are effective. It means that 72 percent of Malaysian viewed the effort in fighting corruption is ineffective (Transparency Malaysia, 2014). The figure is alarming. At the global arena, the World Economic Forum has reported that the cost's effect of corruption around the globe is approximately around the range of US\$2.6 trillion a year (KPMG Report 2013).

According to the CPI Index 2014 (as shown in Figure 2.1), Malaysia is ranked 52 out of 175 participating countries, as reported by Transparency International (2014). Malaysia which has been ranked 52/175 seem to have improved minimally in which Malaysia was ranked 53/177 in 2013 Country Rank (Transparency International, 2013). Interestingly also, the 2014 corruption perception results were good as KPMG Malaysia Fraud, Bribery and Corruption Survey in January 2013, showed that 70 percent of the top executives in Malaysia agreed that corruption was vital in businesses (Hamudin, 2014). A world map of the 2014 Corruption Perceptions Index by TI measured the degree to which corruption is perceived to exist among public officials and politicians. High numbers (blue) indicate less perception of corruption, whereas lower numbers (red) indicate higher perception of corruption as shown in Figure 2.1 below (Transparency International, 2014).

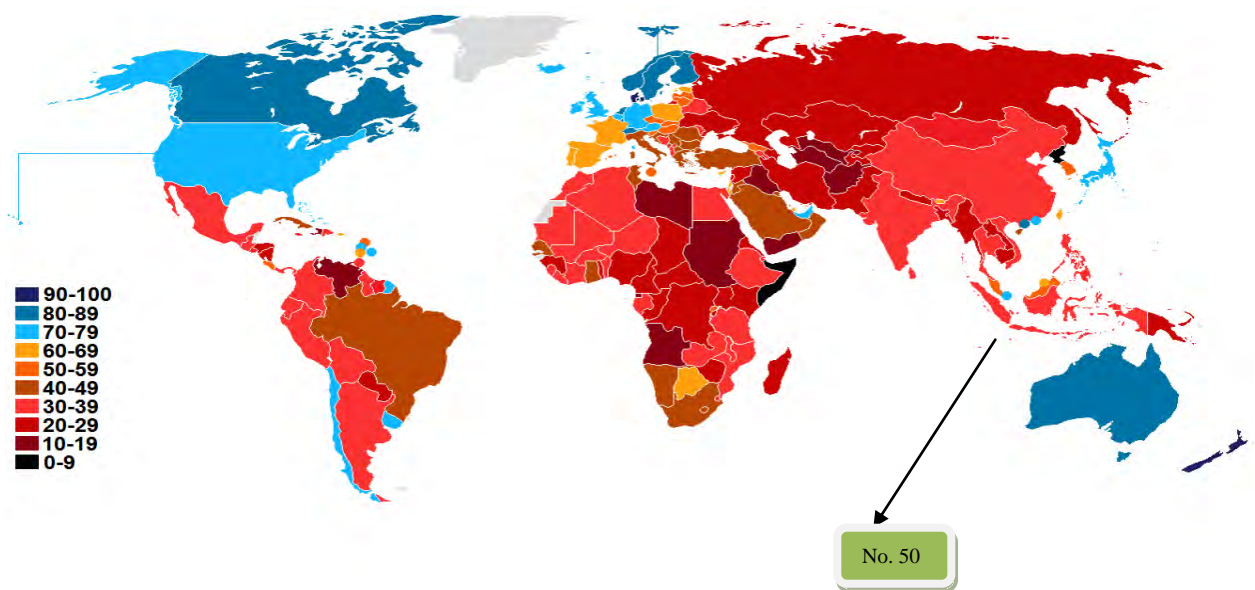


Figure 2.1 World Map 2014 Corruption Perceptions Index
 Source: World Map 2014 Corruption Perceptions Index by [Transparency International](#)

The 2014 CPI result means a lot and it also indicates a substantial improvement to Malaysia, especially to the Malaysian Anti –Corruption Commission and PEMANDU as it is not easy to climb up the ladder of CPI set by TI as there are stringent and strict procedures and rules in determining the CPI Index. The CPI result of 2014 as shown in Figure 2.2 below, nevertheless meant that Malaysia, must continue to strive and fight the practices of corruption from the root causes. According to TI-M, the improvement in the CPI score for Malaysia may be attributed to the perception that there has been big effort, willingness and coordination in combating corruption. It has become a mouth talk that the lack of the Government or political will to implement a more effective anti-corruption measures will contribute to the lower score for future CPI Index particularly in the current year of 2015 and 2016 onwards.

MALAYSIA ON THE 2014 CORRUPTION PERCEPTION INDEX

Rank	Country	Score
43	South Korea	55
43	Latvia	55
43	Malta	55
43	Seychelles	55
47	Costa Rica	54
47	Hungary	54
47	Mauritius	54
50	Georgia	52
50	Malaysia	52
50	Samoa	52
53	Czech Republic	51

*A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean).

*A country or territory's rank indicates its position relative to the other countries and territories in the index. This year's index includes 175 countries and territories.

SOURCE: Transparency International

INFOGRAPHIC BY : KAMARULARIF HUSAIN / THE MALAYSIAN INSIDER

Figure 2.2 Corruption Perception Index 2014
Source: (Transparency International, 2014)

It is worth to note that for the past 4 years before 2014, Malaysia has improved a lot in term of anti-corruption measures and initiatives. This was evidenced by the TI CPI ranking in the past recent years prior to 2014. However, the situation was suddenly changed and upset in 2015. Malaysia has gone down to number 54 in ranking for the CPI 2015. This is shown in Figure 2.3 below.

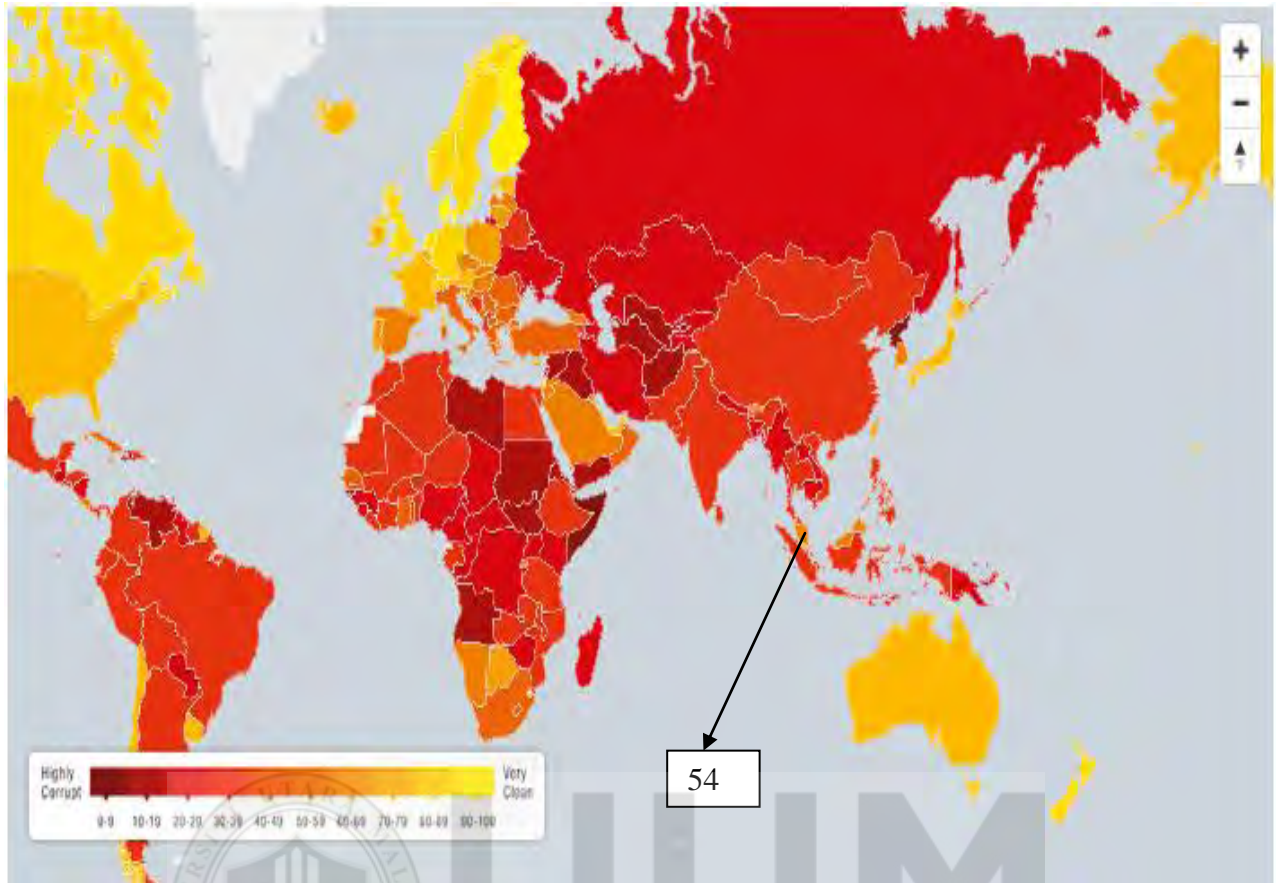


Figure 2.3 World Map 2015 Corruption Perceptions Index
 Source: World Map 2015 Corruption Perceptions Index by Transparency International

The 2015 CPI result above shows the highly corrupt country to the least corrupt country. The lighter red and orange countries is the least corrupt countries as compared to the dark red countries. Yellow countries are perceived as cleaner, but not perfect as not one single country, anywhere in the world, is corruption-free. Malaysia is ranked 54 in CPI result of 2015. If not for Bahamas, Barbados, Dominica, Puerto Rico, Saint Vincent & Grenadines, Samoa and Swaziland who pulled out from the 2015 CPI survey, Malaysia will be ranked worst. This is because, despite 168 participating countries in 2015 CPI, compared to 176 countries in 2014, Malaysia's CPI score has declined from 52 to 50/100, and Malaysia country ranking has dropped significantly from 50th to 54th. Malaysia's position would be

even worse if those 7 non participating countries were taken into account for 2015 CPI (Transparency International, 2016).

Despite many steps have been implemented under the GTP/NKRA initiatives, the level of corruption experienced in Malaysia does not seem to be decreasing. As such, the dilemma question arises as whether Malaysia has failed in its efforts to fight corruption? What can be done more to improve Malaysia's score? TI-M calls for the Malaysian Government to take the bull by horns and TI-M is still adamant that the Malaysian Government should adopt and adapt TI-M seven recommendations to ensure greater improvement in fighting corruption in Malaysia. Amongst the seven recommendations of TI-M are:

- 1) strengthened political will;
- 2) amend Section 36 of the MACC Act 2009;
- 3) implement a Political Party Financing Act;
- 4) eligibility to join the Open Government Partnership;
- 5) practice open tender;
- 6) establish a multi-disciplinary task force by the Auditor-General's department which has intervention power;
- 7) Malaysia to spearhead an ASEAN anti-corruption action plan.

Source: (Anis Yusal Yusoff, Sri Murniati & Greyzilius, 2012)

Evidently, there is no country in the CPI Index 2014 and 2015 issued by the TI that scores 100 percent i.e. there is no country who can declare that it is absolutely free from any form of corruption. As such, there is no country in the world is clean from corruption. Even

the best country in the 2014 CPI list, Denmark who scored 92 percent is not free from corruption. Denmark, who is rated the best and cleanest country in term of corruption, has an integrity code of conduct for its government officers whereby its government staff are obliged to declare any items, gifts and present they may have received. Among the best regulated country in the world, United Kingdom which was said to have the best corruption laws in the world only scores 78 percent. Jose Ugaz, the Chairman of TI was quoted to say:

“Countries at the bottom need to adopt radical anti-corruption measures in favour of their people. Countries at the top of the index should make sure they don’t export corrupt practices to under-developed countries.” (Transparency International, 2014).

It is worth to note that the Chairman of TI-M was quoted to say that the degradation of the CPI for Malaysia was due to many factors including the 1MDB issue, the transfer of MACC’s officer without just cause, the termination of the Attorney General of Malaysia before his due date and many other related incidents that involved the above situations (Astro Awani, 2016).

For 2015 CPI list, Figure 2.4 below shows the clear comparisons of CPI's score for the first 75 countries for the years of 2012, 2013, 2014 and 2015.

TABLE OF RESULTS: CORRUPTION PERCEPTIONS INDEX 2015

A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 (highly corrupt) to 100 (very clean). A country's rank indicates its position relative to the other countries in the index. This year's index includes 168 countries and territories. Click on the column headings to sort the results, or use the search to view the results for one country. Note that N/A means a country was not included in the index during a particular year. To learn more about the results and view the confidence intervals, please see [our FAQs](#) and download an [XLS](#) or [JSON](#) of the results.

Rank	Country/territory	2015 Score	2014 Score	2013 Score	2012 Score
1	Denmark	91	92	91	90
2	Finland	90	89	89	90
3	Sweden	89	87	89	88
4	New Zealand	88	91	91	90
5	Netherlands	87	83	83	84
5	Norway	87	86	86	85
7	Switzerland	86	86	85	86
8	Singapore	85	84	86	87
9	Canada	83	81	81	84
10	Germany	81	79	78	79
10	Luxembourg	81	82	80	80



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10	United Kingdom	81	78	76	74
13	Australia	79	80	81	85
13	Iceland	79	79	78	82
15	Belgium	77	76	75	75
16	Austria	76	72	69	69
16	United States	76	74	73	73
18	Hong Kong	75	74	75	77
18	Ireland	75	74	72	69
18	Japan	75	76	74	74
21	Uruguay	74	73	73	72
22	Qatar	71	69	68	68
23	Chile	70	73	71	72
23	Estonia	70	69	68	64
23	France	70	69	71	71
23	United Arab Emirates	70	70	69	68
27	Bhutan	65	65	63	63
28	Botswana	63	63	64	65
28	Portugal	63	63	62	63
30	Poland	62	61	60	58
30	Taiwan	62	61	61	61
32	Cyprus	61	63	63	66
32	Israel	61	60	61	60
32	Lithuania	61	58	57	54
35	Slovenia	60	58	57	61
36	Spain	58	60	59	65
37	Czech Republic	56	51	48	49
37	Korea (South)	56	55	55	56
37	Malta	56	55	56	57
40	Cape Verde	55	57	58	60
40	Costa Rica	55	54	53	54
40	Latvia	55	55	53	49
40	Seychelles	55	55	54	52
44	Rwanda	54	49	53	53
45	Jordan	53	49	45	48

45	Namibia	53	49	48	48
48	Georgia	52	52	49	52
48	Saudi Arabia	52	49	46	44
50	Bahrain	51	49	48	51
50	Croatia	51	48	48	46
50	Hungary	51	54	54	55
50	Slovakia	51	50	47	46
54	Malaysia	50	52	50	49
55	Kuwait	49	44	43	44
56	Cuba	47	46	46	48
56	Ghana	47	48	46	45
58	Greece	46	43	40	36
58	Romania	46	43	43	44
60	Oman	45	45	47	47
61	Italy	44	43	43	42
61	Lesotho	44	49	49	45
61	Montenegro	44	42	44	41
61	Senegal	44	43	41	36
61	South Africa	44	44	42	43
66	Sao Tome and Principe	42	42	42	42
66	The FYR of Macedonia	42	45	44	43
66	Turkey	42	45	50	49
69	Bulgaria	41	43	41	41
69	Jamaica	41	38	38	38
71	Serbia	40	41	42	39
72	El Salvador	39	39	38	38
72	Mongolia	39	39	38	36
72	Panama	39	37	35	38
72	Trinidad and Tobago	39	38	38	39
76	Bosnia and Herzegovina	38	39	42	42
76	Brazil	38	43	42	43
76	Burkina Faso	38	38	38	38
76	India	38	38	36	36
76	Thailand	38	38	35	37

Figure 2.4 Comparisons of CPI's score for the first 75 countries for the years of 2012, 2013, 2014 and 2015.

Source: (Transparency International, 2016)

It is worth to note that in the top ten countries of CPI index in 2015, the culture in those countries is that corrupt behaviours would be immediately reported to the State Authorities, hence been brought to court for justice (Graycar, 2015). As such, the number of corruption is always small in number and controlled by the conscience of the people in the said countries.

The mostly cited precedent cases of corruptions such as poorly equipped school despite of spending millions, imitation medicine and illegal democracy elections and non-confidence vote decided by money are some of the famous quoted example as enunciated by TI (Transparency International, 2014). It is worth to note that more and more country is heading forward to fight corruption, reflecting in the priority put on efforts to combat corruption as well as the heightened measures undertaken to ensure effectiveness of public administration integrity policy and accountability (Waldron, 2012 and OECD, 2013). This is substantiated by some available data that demonstrates the increased participation in the public sectors among 175 countries (Transparency International, 2014). Jose Ugaz, the Chairman of TI was recently quoted to say “the Corruption can be beaten if we work together. To stamp out the abuse of power, bribery and shed light on secret deals, citizens must together tell their governments they have had enough” (Transparency International, 2016).

In reference to the Auditor General Report 2013, there were many shocking but honest disclosures done by the Auditor-General in order to combat corruption. Among the damaging report is on the nearly RM200 million being spent on incinerators without the know-how to operate the technology. Besides, a hefty price of RM3,000.00 was spent to

purchase on a piece of wall clocks. This does not include the negligence of purchasing custom-made shoes but left to rot because the shoes did not meet the specifications (Auditor General Report, 2013). Recently in 2015, a shocking news that nearly 80 percent of policemen in the border Malaysia and Thailand are said to be corrupted and as a result, the recent arrest of policemen in Perlis who were said to be associated with the Rohingya immigrants (Pearlman, 2015). A number of media reports, ranging from the 1MDB project, purchase of MARA buildings in Melbourne, collapse of half sections of the Terengganu's stadium, Port Klang Free Zone scandal, the issue of a laptop purchased at the price of RM42,320.00 by a Government related entity in Penang, defects on the Middle Ring Road II's fiasco and many more, all shows the corruption scenario in Malaysia (Jabatan Perdana Menteri, 2015). The recent fiasco of corruption that involves several top brass police officers at Bukit Aman over the repair and refurbishment work at the federal police headquarters shown that the corruption monies can be siphoned through the use of corrupt practices of embezzlement (Ramendran, 2015). It is worth to note that in response to the blatant act of corruption of the policemen at the Malaysian border, the Deputy Prime Minister and Minister in Charge of home affairs, Dato' Seri Ahmad Zahid Hamidi reportedly said that the issue of institutionalised corruption must be arrested once and for all (Utusan Malaysia, 2015).

TI-M plays a very important role in assisting the Government in combating corruption. The appointment of Datuk Paul Low Seng Kuan, the former Chairman of Transparency Malaysia as one of the elected Cabinet Minister of Malaysia in charge of governance and integrity, shows the seriousness and commitment of Government of Malaysia in combating the corruption (Malaysian Anti-Corruption Commission, 2013). Datuk Paul Low has promised to undertake significant reforms to reverse the perception of corruption

through amendments to MACC Act 2009 (Jabatan Perdana Menteri, 2015). Commenting on the CPI for 2015 that was recently announced in January 2016, Datuk Paul Low was quoted to say that the Government views the decline seriously but assured that policies are being implemented to better fight corruption in Malaysia. The Government will assure that transformation to improve governance, including NIP through structural changes and process reforms are ongoing (Fai, 2016).

According to Dong Chul Shim and Tae Ho Eom (2009), there are three types of anti-corruption approaches namely (1) administrative reform; (2) law enforcement; and (3) social change. The most widely utilised approach is administrative reforms that combat corruption through strengthening the quality of the government functions for instance having a watchdog agency or structure that monitor and oversee the government behaviour (Bertot, Jaeger, & Grimes, 2010). Without the administrative reform, it may lead to many other implications and menaces such as the wrong doings of the politicians, police, legal and judiciary officers and other government officers, organised crime, anti-competitive business environment as well as the unfair advantages to those who do their business right and in accordance to the law, which subsequently diminish the nation's confidence in the capability and integrity of the government to lead the country in a fair and just manner (KPMG-Malaysia, 2013).

Law enforcement approach on the other hand takes place in complimenting the administrative reforms by ensuring that appropriate punishment is in place to curb corruption. According to Bertot et al. (2010), the role of administrative reform is to lower the opportunities for people to engage in bribes, law enforcement on the other hand, creates a form of deterrent to engage in bribe by increasing the costs and punishments for involving in

bribes. According to Cloke (2011), the social change approach reflects the social empowerment provided to the people by allowing and encouraging them to be involved in the institutional reforms movements and educating them on the why and how to combat corruption for a long term effect. It has been argued that the change in culture could assist in anti-corruption efforts.(Bertot et al., 2010).

Rose-Ackerman (1999) has suggested multiple approaches to stamp out corruption. Among the approaches are 1) Paying civil servants well, 2) Creating transparency and openness in government spending, 3) Cutting red tape, 4) Replacing regressive and distorting subsidies with targeted cash transfers, 5) Establishing international conventions, and 6) Deploying smart technology.

Many countries have a practical and good corruption reform programme but they failed to achieve their objectives in curbing and fighting the corruption because the initiatives of these countries are either in the piecemeal and sort of sticking plasters, which always overlooked the legal essentials and lack capacity of enforcements (IIM and UN, 2007). Corruption in Malaysia is relatively low (Anis Yusal Yusoff, Sri Murniati & Greyzilius, 2012). Anti-corruption laws are mainly contained within the MACC Act 2009 which covers a scope and variety of offences and punishments and public's sector corruption. The Malaysian Government has passed procurement reforms to stamp out corruption but awarding the major infrastructure and public works contracts is often done without proper legal way.

In India, a mixture and vast gap country between the rich and the poor, has been alleged widely as having a large number of corrupt officials and practising widespread bribes and

corruption, has showed some improvement in corruption in the year of 2014, given that the country was ranked at 85th among 175 countries as against 94th in year 2013. In Indonesia, the chairman of anti-corruption agency named Abraham Samad stated that if there is no corruption in Indonesia, income per capita of Indonesian people is at least thirty millions rupiahs per month compared to the current average of 2.2 million rupiahs (Abraham & Pane, 2014). There are many reports and literature that cited examples of cases on corruption in the poor countries whereby the citizens have been deprived of, for instances, water shortage, land illegally been transferred to third party, illegal logging, justice administration and system corrupted and can be set by monies, health system unfairly treated, corrupt public policy, the corrupted individual becomes a main leader, poor and compromised education system, military procurement distorted, road and highways are poorly constructed, too rich politicians, corrupt government officials etc. just to mention the most prevalent effect of corrupted practices (Graycar, 2015). In US, the Halliburton, the world second largest oilfield services was charged to bribe USD 5 billion to Nigerian government and officials (Arowosaiye, 2012).

2.2 Underpinning Theories

This study utilises two major theories namely Principal-Agent Theory and Institutional Theory. Both theories have been carefully scrutinised as the underpinning theories for the proposed framework.

2.2.1 The Principal Agent Theory

The principal-agent theory coined by Spence and Zeckhauser (1971) was originally framed to elaborate on issues surrounding insurance, but eventually adapted in the context of understanding the influence of information asymmetries in other contexts (Ross, 1973; Singh et al., 2010). The application of principal-agent theory was initiated by the two influential articles on Federal Trade Commission ((Weingast, 1984; Kassim & Menon, 2003) and the Securities and Exchange Commission (Weingast, 1984) which looks into the effects of information asymmetry and the application of outcome based incentives. These extensive empirical evidence on the application of principal-agency theory on bureaucracies has been widely appreciated as the first attempt to relate public policy and bureaucracy to a systematic and more robust scientific approach that requires methodological competence (Dong & Torgler, 2013). This theory subsequently is widely reformulated and adapted in the models that explain important political relationship (Miller, 2005)

Corruption is frequently conceptualised as a principal agent problem tools (Lanyi & Azfar, 2005). Principals need to select, monitor and motivate their agents to act in accord with the former's interests. The agents being the implementers are closer to the realities on the ground and therefore have access to information and opportunities that can benefit them

of their principals. Corruption happens when the agent acts for his or her own gain in way inconsistent with the interests of the principal. As such, the principal agent theory is a powerful tool for understanding corruption and for organising efforts to combat corruption (Lanyi & Azfar, 2005).

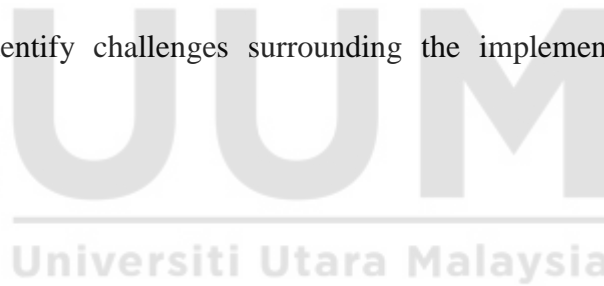
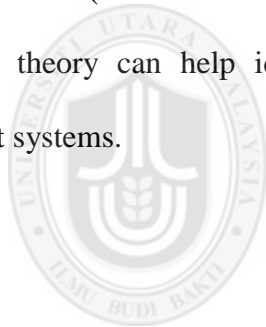
According to Downs and Rocke (1994) also contribute to the theory of principal-agency by highlighting on the effect of inefficiency that exists in the principal-agent relationships. Based on this premise, Smith and Bertozzi (1998) further elaborates the principal-agent theory in the context corruption practices whereby government (principal) often has more control than citizens (agent) when it comes to information flow, hence leading members of the government are more susceptible to corruption acts. Singh et al. (2010) further proposed that in order to alter the interaction between the agent (Government) and the principal (citizen) in an effort to reduce tendency for corruption acts, “e-Government” initiative could be a potential remedy. On the basis of this premise, the present study integrates the application of principal-agent theory in explaining the role of Malaysian Government in fighting and preventing the corruption practices in Malaysia.

2.2.2 The Institutional Theory

The institutional theory that was developed by Meyer and Rowan in 1971 (cited in Tolbert & Zucker, 1996) refers to the assumption that those at the higher explains the processes and outcomes at a lower level (Amenta & Ramsey, 2010; Clemens & Cook 1999). According to the Institutional theory, the structure that consists of three basic elements are important factors to introduce change. These includes regulatory/coercive, cognitive/mimetic and normative (DiMaggio & Powell, 1983; Scott 2001: Kim, Kim, & Lee, 2009).

Institutional theory also reflects the process to achieve economic, social, cultural and political ends through maintenance, modification and reproduction of the structure. (Kim et al., 2009). The institutional theory is utilised in this study as the underpinning theory given that NIP, e-Government and legal framework are coercive mechanism that could bring about changes in the outcomes (Scott 2001; Kim, Kim, & Lee, 2009).

Given its applicability, institutional theory has been widely adopted in many field (Scott, 1987, DiMaggio & Powell, 1991; Kim et al., 2009). In the context of e-Government application, the institutional theory has been utilised to observe the interaction between people and the system, as well as to capture processes and practices in social, economic and political evolution (Amenta & Ramsey, 2010). When applied in the context of e-Government, institutional theory can help identify challenges surrounding the implementation of e-Government systems.



2.3 Corruption Practices

Almost all the economic, administrative and financial activities are open to corruption. It is a well-known fact that corruption, if not controlled and curbed, can be extremely detrimental to the Malaysian economy and reputation. It is well established that the phenomenon of corruption exists in both public and private sectors (Cloke, 2011). Corruption implies a breaking of rules and if corruption is not curbed and prevented consistently, corruption can be an epidemic that will collapse the whole government and political system and structure (Andvig, 2006). The first Anti-Corruption Agency in Malaysia was set up in 1967. Its function at the time was to combat corruption, previously handled by the police. Causes of corruption, among others are high cost living, financial debt, luxurious lifestyle, gambling, no job increment, insufficient salary, low or improper annual work performance evaluation, greedy.

Besides, the opportunities to accept corruption at workplace are because of weak internal controls, opportunities arising from weak systems and procedures, no monitoring mechanism, no segregation of tasks, discretionary powers. Corruption is receiving or giving any gratification or reward in order to influence a person to perform or not to perform a task in relation to his job description. Corruption can be in term of gifts, wages, votes, bonuses, money, positions, discounts or services. Corruption damaged reputation in society, loss of trust, stressful life, loss of family and friends, damaged family dignity. Corruption causes entry of weapons, drugs, gambling activities, prostitution and subversive elements. It can also create unsafe and low quality buildings and infrastructures and causing harm to the national eco-system. Possibility of social chaos and riot due to dissatisfaction towards the government, inefficient services, ineffective systems, procedures and regulations, unequal

services, loss of trust and adverse image of organisation, wider gap between rich and the poor, lower FDI, increase in price of goods, reduces national revenue, illicit flow of national wealth (World Economic Forum, 2015). Corruption will waste all the hard-work and valuable trade and industry resources, creates dissatisfaction, hatred and dissatisfaction among staff and reduces organisational effectiveness and eliminates good governance (Singh et al., 2010). There is also report that corruption has ruin the effectiveness and the positive effect of institutions and business opportunities on growth (Campos et al., 2010). The recently announced report in 2014 by the Economic Freedom of the World has clearly stated that the quality of the government, as in our study referred to as the integrity policy and the e-Government implementation as well as the effective legal framework have always interrelated to the rate of corruption in a particular country (Gwartney, Lawson, & Hall, 2015).

There are many research's efforts and attempts to define the most viable and correct definition of corruption. This is because, to some researchers, the definitions of corruption are evolving over time and the future definition will be more innovative and intensify (Roman & Miller, 2014). Corruption encompasses many types of behaviour such as bribery, extortion, cronyism, exploiting conflict of interest, favouritism, influence peddling, misuse of information, abuse of discretion, abuse of power etc. An act can still be considered as corrupt even if there is no financial corruption involved. This is because, corruption can also involve sex, slavery and abuse of power (Roman & Miller, 2014). Corruption is often compared with cancer because the growth of malignant cells in the human body and their ability to spread, corruption can devour a nation in a similar manner (Pandiyan, 2015). The term corruption is generally defined as the exercise of public power for private gain (Treisman, 2000). Corruption is an illicit conduct and takes place secretly when no one is watching (Batory, 2012). The fighting against corruption is proved to be difficult as it is

often described as a victimless crime or not fall to an individual trespass, but rather an offence to the government or people at large (Batory, 2012). Likewise, corruption is also defined as the abuse of public power for private benefit (Bardhan, 2013). Garcia-Murillo and Vinod (2005) have identified that the main causes of corruption is always synonyms with political, economic and cultural factors (Singh et al., 2010). A civil servant who receives a monthly or weekly salary and if the civil servants does not perform the tasks or does not perform them well, it is also a form of corruption (Graycar, 2015). Corruption in transactions between the company and/or commercial entities with government officials and politicians is a complex issue that needs to be tackled from several perspectives (Dixit, 2014). Corruption undermines the standards of life and good development, incurring and costing extra costs unnecessarily to innocent citizens through irrelevant and additional payment in kinds and it is equivalent as inefficient firms and currency bail-outs (Campbell & Göritz, 2013).

Corrupt practices had led to the fall of Dictator Ceausescu in Romania in 1990. The same fate happened to Shah Reza Pahlavi of Iran who was forced to flee from his throne, following the revolution of the Iranian people for corruption and abuse of power in his administration (Doig & Advisor, 2009). The same happened to former Philippine President Ferdinand Marcos, who was forced to live in exile until his death as a result of corruption toppled. In the United States of America, President Richard Nixon also fallen as a result of the Watergate scandal, it all happened because of criminal practices of corruption.

For the past ten years, the topic of corruption has been the main concern of the governments and policymakers around the globe as it has been the continuous struggle of war fighting the corruption (Prado & Carson, 2014). Corruption is against all the teaching of moral and honourable life and furthermore, corruption is inconsistent with the ethical and

religious values of the majority of Malaysian (Jabatan Perdana Menteri, 2015). It is well said that the two keys to a successful country are integrity and transparency. There is no other effective alternative (Muzaffar, 2015). It is encouraged that the awareness of the corruption debilitating effects by reaching out to and engaging with the private sectors as well as young adults in institutions of higher learning. Integrity should be taught early in life so that it is carried to adulthood by introducing module of anti-corruptions since kindergartens levels. Parents must teach children about the evil of corruption practices.

China is one of the latest countries in the world that is perceived as aggressive in fighting corruption. Recently in January 2016, China's top legislature pledged to accelerate and reinforced the legislation on the China National Anti-Corruption law to bolster China's fight against corruption. The lawmakers in China are reminded to improve the national anti-corruption law as well as the administrative supervision law (Xinhua, 2016). China Daily Hong Kong has reported that Chang Xiaobing, the chairman of China Telecom Ltd., resigned from his post after he was detained and questioned in an anti-corruption probe ("Chairman of China Telecom probed for corruption,," 2015). The arrest of key individuals in China is now rampant and the top spending watchdog in China has recovered more than 380 billion yuan of public money in the first 11 months of 2015 as China step up efforts to root out corruption, 321 officers have been prosecuted in China in 2015.

In Malaysia, there are many forms or acts of corruptions. However, to many Malaysians, the generally acceptable term of corruption is understood as an act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description. An example, a contractor rewards a gift in the form of an expensive watch to a Government officer for awarding a project to the

company belonging to the contractor. Another example as recently quoted by Datuk Mustafar Ali in 2015, was the issues of integrity and lack of moral values among Immigration Department officials are seen to be the main cause misconduct related to corruption in the Government agencies (Utusan Malaysia, 2015). There are many changes and reorganisation of the values of integrity and transparency in the Government sectors over the past thirty years. The renaissance in the integrity of the public services are done in order to provide a fair and trusted environment to the public in regards to the government efforts and transformation. It is anticipated that the initiatives by the Government in upraising the integrity values shall inspire the public trust and create a conducive environment for the businesses and industries thus contributing to well function markets and economic growth in Malaysia. Integrity is one of the key principles and precondition to the public trust as a underpinning pillar of any good governance and administration (Armstrong, 2005).

Corruption deprives the Government the revenue needed to serve the rakyat. Every RM saved is a RM gained. Millions which should be used for creating a better quality of life for Malaysian are squandered or end up in the pockets of crooked or cronies. In 1957, when Malaya became independent, corruption was hardly an issue. Rakyat at the time was concerned with their family reputation and so they took care to avoid committing corruption and crimes (Idid, 2015). The seriousness with which the Government views corruption is evident in the range of initiatives, setting up institution in stamping out corruption, legal and administrative measures and resources, the political will as well as the efficient execution power must also be there to support the initiatives (T. A. Aziz, 2015). Adenan Satem said “I have heard many years ago that claims that level of corruption in Malaysia was tolerable, with not many cases of corruption and abuses of power, unlike a neighbouring country where

corruption and abuses of power were openly committed. But not anymore. We have underestimated the situation” (Centre to Combat Corruption and Cronyism, 2015).

Corruption could be seen as not only personal or collective acts but also as the results of administrative failure and indication of the ignorance of good governance. Samplings from some of the United Nation’s countries are interesting to share with. In Yemen, the government has imposed it outright to all its public officers and staff to uphold integrity and must neither solicit nor accept anything from their fellow citizens in performing their duties, thus creating a calm situation of confidence in the country as a whole (Herzfeld & Weiss, 2003). As it is always said that corruption is the abuse of public office for private gain (Abdullah, 2008). Hence, the definition of corruption is a broad meaning encompassing all practical categories of corruption that we encounter in reality, especially in the Government and private sectors.

Anti-corruption plan launched by the OECD and Asian Development Bank laid down three main pillars to be achieved in order to fight corruption. The pillars, among others are charting effective, workable, fair and transparent systems for the public services, improving the anti-bribery plans and actions and enhancing integrity in business deals as well as public participation (Singh et al., 2010). In regards to the Government services, there are steps taken during the interview and promotion processes to strengthen the integrity and competence on the interviewees whereby they are now been asked on their view on the values of integrity, remuneration regulation, conflict of interest and conduct in office (Chong & Ahmad, 2015). The other most powerful tool in fighting corruption is through public exposure. The media can play a critical role in creating public awareness and generating support for corrective decisions.

The devastating effect and impact of corruption and lack of integrity cannot be underestimated. Unethical practices, bribery and fraud have a very bad impact to the *rakyat* as a whole, whether it is to the lives, health or social aspect of the *rakyat*. Rock & Bonnett (2004) argue that corruption reduces investment in most developing countries particularly those small developing countries. Reinikka & Svensson (2005) concluded that corruption has detrimental effects on human resources and growth. In an astonishing article published by the New Straits Times dated 3rd June 2015 reveals that a staggering 80 percent of the nations' security personnel and law officers at the Malaysian borders are corrupt (Yesuiah, 2015). This is really shocking news to all of us as the percentage is really on the high side and to make the matter worst, the source of the report was said from the Special Branch of the Royal Malaysia Police. Symptoms of corruption is sudden shift to a luxurious lifestyle, unable to justify source of wealth, refusal of a transfer or job promotion, suspicious telephone calls, immediate resignation, suspicious relationship with suppliers or vendors. More often, corruption happens when the Government transacts business with the private sector. Kickbacks, secret commission and cheating have become common ways of gaining corrupted monies and personal wealth.

In the recent hot fiasco involving the Prime Minister, Tunku Abdul Aziz, the founder of Transparency Malaysia said that is not the first for Malaysia as the similar situation has happened many times before. In a 2015 Anti-Corruption Conference, Tunku Abdul Aziz was quoted to say "I have drafted some of these proposed guidelines as follows:

- a) That the Prime Minister and the members of the Cabinet immediately declare to the public their assets including all their many bank accounts and existing shares

and interests in companies. It may be best also to require them to dispose off their shares and stocks for value when they come into office; and

- b) That as matter of principle, the Prime Minister and the Executive should not receive monies, donations, or any income other than what is due and payable to them being only their salaries and allowances as Prime Minister or Member of Parliament. This essential to ensure a clean government and to develop accountable political leadership.
- c) That as a matter of principle, no Government projects or Government-linked companies projects to be applied by, or awarded to any Minister or members of their families, or those of their personal political staff.
- d) That all Government-owned or linked companies shall be subject to scrutiny by Parliament - possibly different select committees should be set up to continuously monitor such GLCs and/or their subsidiaries - with the power to receive complaints from the public, to conduct necessities inquiries even public enquiries.
- e) That the Auditor General shall audit all private Government-owned and government-linked companies. Nowadays, to avoid having to be accountable directly to Parliament and the people of Malaysia, the Government sets up private companies.
- f) That all GLCs shall also make public their corporate details - shareholder and Director Information, all of which are already in the public records that could be obtained at the Registrar of Companies. Also that statement of accounts should also be published.

- g) That all Malaysian GLC shall always keep their moneys in bank accounts in Malaysia, within the jurisdiction of Bank Negara and also Malaysian courts (T. A. Aziz, 2015).

There are few number of empirical studies that have discussed thoroughly the question of why the occurrences of corruption in various perspectives and situations. However, there is no study that integrates and explains the independent variables of NIP, e-Government and legal framework in the corruption practices. Corruption can take in many different forms including bribery, theft, embezzlement, abuse of discretion, favouritism, exploiting conflict, putting individual interest above the public interests and improper or illegal political party contributions (UNODC, 2004). Corruption is commonly considered to be one of the most considerable obstacles to economic growth (Andersen, 2009). Corruption takes place in a society where there is significant discretion for public officials, limited accountability and little transparency in governmental management and administration (Stulhofer, A., Kufirin, K., Caldarovic, O., Gregurovic, M., Odak, I., Detelic, M., 2008).

Tan Sri Abu Kassim Mohamed in response to an international question, responded that “For my organisations, I’m trying my best. There are a lot of changes. Our success is around 80 percent, which is a great improvement from 54 percent in 2009” (MACC, 2015). By 2014, MACC has surpassed international standards in combating corruption by successfully completing 85 percent of its investigation within one year. This is good achievement compared to 75 percent in 2012. The conviction rate of corruption cases has also surpassed the international standard set at 80 percent. The MACC success rate in solving cases proves that the MACC Transformation Programme has begun to yield positive

results. According to Global Competitiveness Report 2014-2015, Malaysia stands out as one of the few countries which have successfully tackled both corruption and red-tapes.

No doubt, MACC transformation has caught the eyes of other anti-corruption authorities internationally including the United Nations Office on Drugs and Crime (UNODC) and International Anti-Corruption Academy. MACC has the following achievements in 2014:-- 1) the protection for the 48 complainants under the Whistleblower Act; 2) 805 corruption offenders have been published in the MACC website; 3) 527 companies have signed the CIP; 4) 142,268 integrity pacts have been signed by various parties in year 2013-2014; 5) The conviction rate at court has achieved 78 percent; and 6) 85 percent corruption cases that been trial at Court have been completed within a year (MACC, 2015). This has impacted on increase in public confidence from 31 percent in 2009 to 68 percent in 2014.

Notwithstanding the above facts, the *rakyat* are sceptical on the initiatives of the Government in combating corruption. The question arises as whether all the Government initiatives all this while are effective or not? As such, it is important to note that this study is timely to measure the effects of the Government initiatives aforesaid.

2.4 National Integrity Policy

The lack of integrity has been identified as one of the main causes of corruption (Graaf, 2007). Integrity simply means that leadership is above corruption and there is no hypocrisy (Malunga, 2014). Integrity is considered as one of the main pillars to be addressed in order to curb corruption. Integrity is often the victim of a mind set (Muzaffar, 2015). In public administration, the word integrity refers to sincerity and responsibility in the discharge of official duties serving as a catalyst to fight and curb corruption or the abuse of office (Special Investigation Service of the Republic of Lithuania, 2013). Integrity is also defined as “the use of public power for officially endorsed and publicly justified purposes” (IIM and UN, 2007 p. 5). The late Tun Hussein Onn, the third Prime Minister of Malaysia used to have said that without integrity, a leader will use his position as a commodity to peddle influence and to achieve status, name and riches (David & Dumanig, 2014).

The subset of integrity was discussed by Armstrong (2005) as referring to unencumbered access by the public to readily available and reliable information on any particular related decisions and performance in the public sector (Armstrong, 2005). Since corruption has become the main problem in almost all countries in the world, the anti-corruption and integrity agendas and initiatives, including the integrity policy has become the policy agenda of the global organisation including World Bank, IMF, the UN, European Bank (Roman, 2012). When corruption is rampant, one will surely know that the integrity policy is not in place or not obeyed by the political masters (Malunga, 2014). Integrity is always associated with individual qualities that any person of authority or individual in power or responsibility must possess and what he or she will do when no one is watching him/her. An individual is said to have high integrity if the said individual adheres to his or her principles in whatever situation, either advantage or disadvantage to him or her, and does

what he or she says they will do it. In addition, a particular institution is said to have integrity when the said institutions is adhering to its operation objectives to further goals that have been publicly set by its article or memorandum of associations (IIM and UN, 2007).

Chris Fordham, the Ernst and Young Fraud Investigation and Dispute Services Managing Partner of Asia Pacific said in his report that fraudulent and corruption practises have been increasing and there is a disengagement between the policies that are in place and how the policies are applied in practise (Ernst & Young Global Limited, 2013). Andvig (2006) has long questioned whether the existing anti-corruption policies have been effective or not. The integrity policy is said to be related to the corruption practises in many countries throughout the world (Wren-Lewis, 2013). Integrity policy mitigates corruption especially in countries with high levels of civic monitoring of those in power (Asongu, 2014).

In UN's policy, integrity has been defined as including but not limited to probity impartiality, fairness, honesty and truthfulness (Six & Lawton, 2013, p. 640). The need for integrity is high. The integrity policy is interdependence and must be executed by many government agencies (International Institute for Educational Planning, 2015). The integrity policy cannot be the responsibility of only a unit within the government sector but must be the responsibility of all the government organs and agencies as fighting corruption is a systemic problem that cannot be solved by a single government unit (Prado & Carson, 2014). A key reason to ensure fairness in a system of a particular country is that the integrity policy must be adequate to create an equilibrium (Malunga, 2014). The Federal Government of Canada, has constantly amended its integrity policy so as to meet the change of technology in Canada (Nattrass, 2015).

As such, the Malaysian Government efforts in placing the fighting against corruption to IIM, MACC, Police, and PEMANDU as well the establishment of integrity units in all the government agencies, statutory bodies and government link companies is in line with what has been found by Prado & Carson (2014). The Police under the current leadership has even strengthened its integrity effort by transforming its long existed Disciplinary Division and transformed it into the Integrity and Standard Compliance Department (JIPS) (Yaakob, 2015). All statutory bodies, either *Badan Berkanun Persekutuan* or *Negeri*, has also special provisions in the Statutory Bodies (Surcharge and Discipline) Act 2000 to regulate the integrity among their staff.

The MACC, as a sole anti-graft agency in Malaysia, is more focused on the corruption cases and abuse of powers by parties and individuals whereby IIM is more on implementing NIP. Notwithstanding, there are real issues in regards to the inherent power of MACC and Police. The main construct would be whether MACC has the power to investigate the Police and whether the Police, in retaliation or not, investigate the MACC. Further turmoil questions would be whether the AGC can be investigated by the Police and MACC? Whatever the answers to these issues, the writer would emphasize that integrity principle remains at the top list as threat to corruption.

Fighting corruption is an essential part of the Malaysian Government ambitious plan to transform and accelerate economic growth (Makinuddin, 2013). Corruption demoralises the government and weakens the whole endeavour of integrity policy formulation and execution (Graycar, 2015). A need to have a country's national integrity policy is important to combat corruption. Many countries have enacted their own law and policies in fighting corruption. It is hoped that the current policy of anti-corruption understand the extent of

serious nature of corruption nowadays. Otherwise it will not be effective (Roman, 2012). Integrity policy must be wide and covers all account of corruption problem and the root cause of corruption including the agencies that are prone to corruption. As envisioned by Roman (2012), the public policy on integrity must evolve so as to generate appropriate and effective solution. Traditional construct on integrity policy have proven to be too simple and ineffective (Doig, 2011). Waldron (2012) found that the integrity policies (with components of whistleblowing) of at least ten (10) European Countries are lack in terms of procedures effectiveness and results. Some of the member countries of European Union have introduced many anti-corruption and integrity policies and laws since year 1990s, but the corruption is still one of the major issues and prevalent (Batory, 2012). The newly introduced “No Gift Policy” is also part of the NIP whereby the Government is contemplating to introduce a new legislation in Malaysia which will be similar to the recently enacted United Kingdom (UK) Bribery Act 2010 (Chong & Ahmad, 2015).

In formulating NIP, the Government has taken into considerations the following underlying principles as follows:

- a) There is no uniform model of integrity plan and system;
- b) There is no integrity plan that one size fits all;
- c) Integrity institutions vary from country and their roles vary;
- d) Some countries have high levels of integrity even though they may lack some of the integrity institutions others believe to be critical on the other hand, other countries are highly corrupt despite having them all (IIM and UN, 2007, p. 6).

An effective integrity policy must always take into account the current cultural corruption habits of developing countries. This is important as the local person knows well what is

actually the problem in his own countries (Roman, 2012). Weak implementation and control of NIP is exposing Malaysia to significant risks as internal integrity control and compliance are not implemented as thoroughly as they should be (Ernst & Young Global Limited, 2013).

In Malaysia, one of the causes of corruption is the inability to execute the integrity policy (Abdullah, 2008). In order to enhance the integrity, the NIP approach ensures the coordination among the components of the governance institutions including Executive, Legislative and Judiciary (IIM and UN, 2007). It is an effort to create trust among the public by ensuring the entrusted power is exercised with integrity.

One of the important elements of NIP initiatives is the Corporate Integrity Pledge (CIP) in which MACC has incorporated CIP as part of its initiatives in fighting corruption by encouraging all the public and private sectors to sign and execute the CIP. CIP is a document designed to uphold anti-corruption principles by encouraging companies to make a voluntary commitment by signing the pledge. In so doing, a company deliberately engaged in a unilateral declaration that it will not engage in any corrupt practices and at the same time commit to create fair, transparent and free from corruption business environment. The CIP is a signed commitment by both government agencies and companies towards the eradication of corruption in workplace (Makinuddin, 2013). By signing CIP, the government agencies and companies are voluntarily and publicly make declaration against corrupt practices and express their intention towards creating a highly principled and ethical nation. This CIP has seen Malaysian Government adopted and applied various options and strategies such as technology, economy, geography, psychology and physical in order to combat corruption (Bakar, 2015).

CIP is part of the MACC's initiatives through Corporate Integrity System Malaysia (CISM) to tackle rising levels of corruption as well as to enhance corporate integrity, business ethics and corporate responsibility. It is a collaborative effort in fighting corruption. The CIP (Companies Commission of Malaysia, 2014, p. 15) outlines five anti-corruption principles as follows:

1. To promote principles of transparency, integrity and good corporate governance;
2. To include anti-corruption elements to strengthen its internal control mechanism;
3. To adhere to anti-corruption rules and laws;
4. To eradicate all forms of corruption;
5. To support anti-corruption initiatives by the Malaysian Government and MACC.

These principles serve as guidelines for areas to be focused by the participating companies in their roles to contribute towards anti-corruption initiatives in Malaysia. This is in line with the objective of the NKRA of "Fighting Corruption" under the Government Transformation Program. The pledge is an important mechanism for reformation in the public sector and continuous improvement in the private sector in order to drive Malaysia towards becoming a developed nation. The CIP is co-developed by the MACC, IIM, Transparency International Malaysia (TI-M), Companies Commission of Malaysia, Securities Commission Malaysia, PEMANDU, Central Bank of Malaysia and Bursa Malaysia. Until 31 December 2012, a total of 250 companies and associations have signed the CIP (MACC, 2012 & Nordin, 2014)

Among the benefits of CIP are the organizations will be making clear stand on how it operates, positive and higher economic growth, greater productivity and higher GDP ratios,

growing demand for reporting corruption cases and reflections of sincerity and commitments towards anti-corruption (JPM, 2010).

Batory (2012) has blamed the weaknesses of the implementation of the integrity policy in European Union (EU) as the cause of widespread in EU. A study on the perception of Universiti Teknologi Malaysia (UiTM) Sarawak employees in relation to the integrity policy of the University, it shows that the employees of the said University's branch knows and applies the rules and procedures as enunciated in the University's integrity policy (Akir, Malie, & Omar, 2011).

2.5 E-Government

In the past decades, many countries have used e-Government to increase openness, transparency and integrity in their administration (Bertot et al., 2010). It is said that a sizeable international corruption relates and connected to inefficient and human discretion public procurement (Andvig, 2006). One of the major contributions of this study is to identify whether the Electronic Government (e-Government) and the Information and Communication Technology (ICT) play a major role in combating and eradicating corruption in Malaysia. ICTs are used by many countries as an effective machine to reduce corruption (Bertot et al., 2010).

As procurement is regarded as mother of corruption, the institution of the e-Government under the GTP is the first step in combating corruption in the government procurement processes (Makinuddin, 2013). No doubt, the Government of Malaysia is the biggest major consumers and spenders in Malaysia. The Government of Malaysia, for

example, spent nearly USD 315,509 million in procurement amounts for the fiscal year 2014 (Ministry of Finance Malaysia, 2014). The Federal Government of United States for example spent nearly USD 450 billion annually and in the European Union, the expenditure amount is even higher, exceeding Euro 2 trillion each year (Neu, Everett, & Shiraz, 2015). Hence is not surprising if the government procurement is said to be the fertile ground and starter points where the corrupt practises started, expanded and flourished. The corrupt government officers always have the perception that the extensive and magnitude area and staffing of the government is indeed a sheer and unique place to do corruption (Zamri, Abdullah, & Ahmad, 2015).

ICT is about using the internet media and web based systems to run the administrative processes instead of traditional way of using the human being to attend the job. Corruption has been a continuous problem in public procurement at all levels of government (Melo, 2014). It is no doubt that corruption has distorted the procurement and tender processes which, in many countries has resulted in the uneconomic 'white elephant' projects with debts which the said countries cannot repay (Sampford, Shacklock, Connors, & Galtung, 2006). It is well established that corruption is associated with the purchasing activities as the tenders and awards of contracts involve a measure of bureaucratic discretion, graft, kickbacks, and collusion in public procurement.

The use of ICT is always synonyms with e-Government or e-Governance in research literature. There are different definitions of e-Government. According to West (2005), e-Government reflects the utilisation of the internet and other digital services by the government to deliver services and information. Rajashekar (2002) states that e-Government is the application of information and communications technologies (ICT) in a system of

government, to bring in simple, moral, accountable, responsive and transparent technology to the people (Singh et al., 2010). Likewise, Lau et al. (2008) propagate that e-Government denotes the process of connecting the public digitally to their government in order to allow easy access to information and services provided by the government (Kim et al., 2009).

According to Singh et al., (2010), e-Government service is important to promote manifold objectives, efficiency, transparency and costs saving by reducing labour utilisation. Clearly, the way in which e-Government curb the problem of corruption are straightforward; it eliminates contact between corrupt officials and the public, hence increases integrity (Andersen, 2009). Even though it is argued that there is clear cut evidence to demonstrate the success of ICT in fighting corruption, Bertot et al. (2010) argue that it is a meaningful tool in identifying and removing corruption to the maximum. Similarly, Hopper, Tsamenyi, Uddin, and Wickramasinghe (2009) suggest that e-Government minimise interaction with human, speeds up decisions and reduce human error hence reduce tendency for corruption and at the same time increase efficiency. For instance, in Cameroon, the reluctance of government officials to use the government systems hinders the effort to enhance integrity and improve efficiency through the utilisation of the e-Government (Heeks, 2005).

One of the latest innovations using e-Government in curbing corruption in procurement is the integrity pacts whereby the interested bidders for a particular project are obliged to engage in no bribery pact. Clearly, the utilisation of e-Government has increased integrity among the government officers. It creates less discretion and less wrongdoing. The introduction of e-Government therefore is believed to eliminate opportunities for corruption. A study by Andersen (2009) reveals that the use of e-Government has a positive effect on corruption reductions. According to the author, e-Government is an effective mechanism in

curbing corruption nevertheless, there is no readily available data on e-Government dating back to 1996. Having noted that some studies by Tangkitcvanich (2003) and Mahmood (2013) on public sector supports the claim that e-Government applications increases transparency and reduce corruption. The three factors that Rose-Ackerman (1973) and Klitgaard, (1988) identifies as the drivers of corruption include monopoly of power, discretion and lack of integrity and accountability (Andersen, 2008). Corruption happened when the monopoly of power is dominant and when this monopoly is crystallised and combined with absolute discretion and non-integrity, it will create the best recipe to be a corrupt person (Asongu, 2014) .

E-Government is increasingly considered as an important new approach and new measure for enhancing efficiency and integrity. It is potential to combat corruption in government administration. In last ten years, the e-Government has gained popularity and many governments in the world has adopted the e-Government in order to fight corruption (Bertot et al., 2010). In a survey by Ernst & Young Global Limited (2013), a total of 78 percent respondents agree that the use of e-Government results in effective fraud detection and corruption prevention in that the e-Government could examine and detect all transactions within an organisation. This shows that e-Government is believed to be a tool to fight corruption. Accordingly, Kim et al. (2009) argue that e-Government is able to create new medium of public service that is modernised, integrated and seamless services to the citizens. Neupane (2014) states that e-procurement, as a part of e-Government, brings in a lot of advantages including standardising and monitoring procurement, increasing integrity and transparency, reducing personal discretion in purchasing decisions, enhancing fair competition amongst bidders as well as avoiding human interference. It is therefore argued that the opportunity for improvement by fully implementing the e-procurement system might

help resolve and eradicate the corruption issues (Taufik & Abdullah, 2010). In Korea for instance, the e-Government initiatives covers four main elements which include government online service, paperless government, knowledge-based government and clean government (Kim et al., 2009). Chile is another country that has used the e-Government to create one of the world's most transparent public procurement systems in the world. ChileCompra was launched in 2003 and is one of the most advanced e-Government system and has earned a worldwide reputation for excellence, transparency and efficiency. It serves companies, public organizations as well as individual citizens, and is by far the largest business-to-business site in the country involving 850 purchasing organizations. In 2012 users completed 2.1 million purchases issuing invoices totaling US\$9.1 billion. It has also been a catalyst for the use of the Internet throughout the country (Goya, 2006 & Bertot et al., 2010).

Notably, ICT provides greater accessibility, facilitates wider communication and dissemination of information, allows for automatic record keeping and better knowledge management and information sharing (Singh et al., 2010). It is argued that e-Government can provide a climate of honesty, integrity, trust and participation (Mitra, 2005). The adoption of ICTs, internet and e-Government in administrative proceedings in all fields of public administration minimises the opportunity for public officials to control access to important information and request bribes from the clients.

In the context of Malaysia, e-Government is implemented whereby summary of tender and contracts are displayed in the e-Government portal and all procurements are planned and awarded electronically (Jabatan Perdana Menteri, 2015). The MyProcurement portal was established as NKRA's first step in combating corruption in the Government procurement processes (Nordin, 2014). The MyProcurement portal displays a list of

advertisements and results of all tenders and successful bidders in each tender project of the Government. This lead to the transparency and more openness in dealing and warding the Government projects. The objective of MyProcurement portal is simple, which is to provide clarity, to ensure the implemented policies and regulations, to obtain the most favourable price to the Government and to avoid and corruption practises among the government officers with the tenderers. In 2012, one of the key achievements for the portal is that it managed to handle more than 6000 contracts online (Nordin, 2014).

The Transparency International suggests that reforms need to be done in the field of public procurement in Malaysia (IIM and UN, 2007) to avoid unnecessary corruption in doing business. Experience shows that much can be done to curb corruption if there is desire and a will to do so. Accordingly, the basic tenets of fair and efficient procurement include the following:-

- a) Procurement should be economical
- b) Decisions for awarding contract should be fair
- c) Procurement process should be transparent
- d) Procurement should be efficient
- e) Accountability is essential
- f) Competence and integrity should be upheld at all times.

In line with the initiative, in this study, the Government transformation via e-Government refers to the Government initiatives to improve transparency, efficiency and accountability using internet based inter-organisational information systems that allows automation and integrations of any parts of integrity process in the public sector. This is in accordance with the suggestions by scholars that ICT allows for reformation in the government services that

















will improve government service delivery, hence curbing corruption practices (Singh et al., 2010). According to Kim et al. (2009), e-Government involves digital interactions between governments and government agencies (G2G), a citizen and their government (C2G), government and citizens (G2C), government and employees (G2E), and between government and businesses/commerce (G2B). E-Government eliminates the function of the middle person and allows the citizen to perform any transactions by themselves. By doing so, corruption could be reduced. In the context of Malaysia, the e-Government effort undertaken by Jabatan Perdana Menteri (2015) is an initiative towards fair and efficient government procurement. While various claims have been made to relate e-Government and corruption reduction, there is lack of empirical evidence that looks into how the public, especially those who are well-informed about the law and corruption practices. At this juncture, examining the perception of legal practitioners may be a useful avenue to gauge the public perception of corruption practices in Malaysia.










While empirical evidence on the implementation and effectiveness of e-Government is scant, it has been acknowledged that there has been a tremendous improvement in financial management especially in the last few years. A study by Taufik & Abdullah (2010) recognize that Malaysia has a good legal and regulatory framework for procurements; nevertheless, as reported by the Auditor-General Report, problems still continue to occur due to the lack of accountability and integrity. According to the bi-annual e-Government survey conducted by the United Nations Public Administration Network in 2014, it shows that Malaysia is not listed among the top 50 countries in the e-Government development (that reflects readiness and participation in e-Government), denoting that more efforts need to be undertaken to ensure its implementation and effectiveness. As such, Malaysia is still behind the technology

of e-Government and there are many things to be taken up and improved in relation to the e-Government.

Table 2.2 depicts the top 50 countries that have been ranked according to the United Nation's 2014 e-Government Development Index (United Nations, 2014).

Table 2.2 *United Nation's e-Government Development Index 2014*

Rank	Country	Index
1	 South Korea	0.9462
2	 Australia	0.9103
3	 Singapore	0.9076
4	 France	0.8938
5	 Netherlands	0.8897
6	 Japan	0.8874
7	 United States	0.8748
8	 United Kingdom	0.8695
9	 New Zealand	0.8644
10	 Finland	0.8449
11	 Canada	0.8418
12	 Spain	0.8410
13	 Norway	0.8357
14	 Sweden	0.8225
15	 Estonia	0.8180
16	 Denmark	0.8162
17	 Israel	0.8162
18	 Bahrain	0.8089
19	 Iceland	0.7970
20	 Austria	0.7912
21	 Germany	0.7864
22	 Ireland	0.7810
23	 Italy	0.7593
24	 Luxembourg	0.7591
25	 Belgium	0.7564
26	 Uruguay	0.7420
27	 Russian Federation	0.7296
28	 Kazakhstan	0.7283

Rank	Country	Index
29	 Lithuania	0.7271
30	 Switzerland	0.7267
31	 Latvia	0.7178
32	 United Arab Emirates	0.7136
33	 Chile	0.7122
34	 Greece	0.7118
35	 Liechtenstein	0.6982
36	 Saudi Arabia	0.6900
37	 Portugal	0.6900
38	 Monaco	0.6715
39	 Hungary	0.6637
40	 Malta	0.6518
41	 Slovenia	0.6505
42	 Poland	0.6482
43	 Andorra	0.6426
44	 Qatar	0.6362
45	 Montenegro	0.6346
46	 Argentina	0.6306
47	 Croatia	0.6282
48	 Oman	0.6273
49	 Kuwait	0.6268
50	 Colombia	0.6173

Source: (United Nations, 2014)

As shown in the table 2.2 above, Malaysia was not listed at all in the United Nation's 2014 e-Government Development Index despite the establishment of the Malaysian Administrative Modernization and Management Planning Unit (MAMPU), an agency to reform public administration in Malaysian public sector, quite some time ago. To date, MAMPU and the Ministry of Finance have undertaken various initiatives and programmes towards achieving the better Malaysia e-Government system, among others, MYEG, E-Tender, E-Procurement, Tax return, 1 MOCC, 1 MTC, Mybayar, MyID, 1GOVUC, e-tanah and many more. These e-Government initiatives and programmes are developed with certain

specific objectives and in fact, the Government has the double sword strategy by using all these initiatives and programmes to minimise the country’s perception of corruption in Malaysia. According to Reader & Practices (2012), procurement especially for major projects, are often seen as a target for corruption.

MACC has developed a Corruption Risk Management (CRM) that is a tool to identify the corruption risk in Malaysia (Malaysia Anti-Corruption Academy, 2014). The risk matrix and likelihood as crafted by MACC is in Figure 2.5 below.

Consequence \ Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Significant	Significant	High	High	High
Likely	Moderate	Significant	Significant	High	High
Moderate	Low	Moderate	Significant	High	High
Unlikely	Low	Low	Moderate	Significant	High
Rare	Low	Low	Moderate	Significant	Significant

Figure 2.5 Corruption Risk Management

Source: (Malaysian Anti-Corruption Commission, 2012)

Besides, MACC has also developed the Complaints Management Systems (CMS) as a platform for the public to channel information as well as complaints on corruption related activities and those related to its offences. CMS was developed by MACC to filter and classify information and complaints received according to the various classifications prior to its submission into the MACC. Besides, the MACC has also developed Integrity Vetting System (eSTK) to manage the integrity vetting processes. The eSTK is an online application process developed to facilitate and expedite the application for integrity vetting to the MACC

without requiring physical delivery of such applications. The volume number of the online transaction for eSTK is detailed in Table 2.3 below.



Table 2.3 Online transaction for eSTK

eSTK													
Online Application	Number of Online Transaction for The Year 2014	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
		Complaints Management System (CMS)	Corruption Complaint	71	64	39	51	50	61	42	57	70	88
Complaint & Feedback	16		28	23	24	45	15	25	28	24	35	29	24
Integrity Vetting System (eSTK)	Application	1994	168	195	187	151	176	148	176	250	238	198	143
			8	4	2	5	0	1	0	8	1	0	7

Source: (MACC, 2014)

The introduction of e-Government is timely as it streamlines the processes and procedures by inputting data and information into digital form that link databases and improve public access to government service. The system is designed to increase competition, reduce discretionary power, eliminate bottlenecks in transactions, ensure fair access to information and services as well as to promote transparency and accountability (Singh et al., 2010). Similarly according to Mistry & Jalal (2012), e-Government has many potentials in mitigating corruption in that it reduces discretion, thereby curbing opportunities for subjective action. It also allows corrupt and ill actions to be tracked (Andersen, 2009).

To cite a few examples, there are many e-Government efforts that have been done by the Malaysian Government in order to improve the delivery process of administration as well as to fight corruption. It is the double sword strategy and initiatives by the Government. MYEG is a good example to quote as it is a private one stop centre in offering e-Government to Malaysians. The recent maid registration online has ease many employers from paying the

middle man or unscrupulous agent the so called “over and above money” or “coffee money” in settling the visa of their maids. Besides, the entire Royal Malaysian Customs Department is undergoing restructuring for GST. Hence requires all the restructuring information technology and communication systems are being implemented with the purpose of GST.

Similar efforts have been taken by all the State Land Offices in Malaysia whereby an integrated e-Government system called Land Office Modernization System (LOMS) or e-Tanah by the Ministry of Natural Resources and Environment. E-Tanah is created to develop an integrated management digital land system with the aims to fight abuse of power in land dealings as well as corruption. This system allows for speedy access to the service by land offices. This is in line with the government’s aspiration to enhance service delivery and to improve land administration mode at all levels which currently becomes complaint of all parties. Commencing from the year of 2012, the land search will only take up 3 minutes compared to two days’ work back in year 1990s.

Hence, it is the contention of the study that a successful e-Government could reduce corruption as less human discretion is needed given that discretion always led to abuse of power which will then led to corruption (Neu et al., 2015). This is in line with Singh et al (2010) who states that effective e-Government eliminates human discretion hence allowing for fair and transparent transactions. It is envisaged that in setting with many individuals and many witnesses, corruption will become much more difficult if not impossible to commit (Cisar, 2003). Therefore, the present study speculates that e-Government would reduce the perception of corruption practices in Malaysia.

2.6 Legal Framework

Over the years, the Malaysian Government is serious about addressing corruption and has introduced many legal and rules of legislations as well as agencies that relates to integrity and anti-corruption to fight the problem (Nordin, 2014). The legal framework play important role in Malaysia's intensifying anti-corruption efforts in fighting corruption (IIM and UN, 2007). It is well said that corruption can always defeat bad legal framework (Mironov, 2015). An effective legal framework is viewed as a key mechanism to curb corruptions. It is important to have in place an effective legal system and framework that is not only fair and effective, but also responsive to contemporary challenges. Without forceful, firm and comprehensive interrelated legal framework that support the Government and the judiciary of a country, it will not result to a right direction to fight corruption and as a result, corruption will undermines democratic institutions and the rule of laws in Malaysia. The role of legal framework must not and cannot be perverted to excuse ant wrongdoers in Malaysia or exculpate anyone, including senior government officers, chief executive officer of private companies and politicians as well, from any investigation or punishment related to corruptions (Thiru, 2015). One of the greatest tributes that Malaysians have seen in the recent years is the memory of late Kevin Morais who had sacrificed his life in fighting corruption in Malaysia. Kevin has used his career and the legal system in Malaysia in fighting corruption.

The rule of law is needed in order to ensure the success fighting on corruption. Prado & Carson (2014) said that a fair and comprehensive legal framework need to be created first in order to fight corruption. In China, the researchers blame the China legal framework as the factors of corruption or *guanxi* (P. Wang, 2014). It was said in China, the legal framework clashes with corruption which prevents law enforcers in China to fight corruption. Wang

(2014) states that “China’s weak legal framework and rampant corruption prompts private property owners to employ extra-legal protectors (e.g. corrupt police officers, mafia and gangsters) to protect private property rights, facilitate transactions, and deal with government extortion”. Very often, the legal framework of a particular country is compromised to the political masters need and thus, leads to corruption. In this countries, the implementation of laws is conditional on their compatibility, desire and higher priority mandates (Birney, 2014). Although Malaysia legal framework has a corpus of statutory enactments or laws to fight corruption, it must enhance its legal system so that curbing corruption can be done in the most effective way (Arowosaiye, 2012). New Zealand, which is consistently one of the top achievers in TI CPI, is leading in providing conducive legal framework since 1994 by enacting the Fiscal Responsibility Act, which provides a legal framework for transparent management of public resources (Janssen, 2001 & Lienert, 2011).

Corruption further enhances with the weaknesses of the Government and the Judiciary. The same goes to Malaysia whereby on 16 February 2011, the Malaysian Government has set up special courts to deal with corruption cases only. This initiative has expedite many ongoing corruption cases at the time which some were delayed more than 10 years (MACC, 2012). This is due to the fact that Malaysian Government has made fighting corruption a priority which part of NKRA goal (Makinuddin, 2013). If we look at the foreign countries such as Brazil, it has a spectrum of laws that deal with corruption. It is positive to report that all these laws relating to fighting corruption in Brazil have been effective in curbing the corruption (Prado & Carson, 2014). In Brazil, there is a special law enacted to expedite corruption cases. Besides, Brazil has also enacted law that prohibit any individuals who has been convicted with corruption by the court of competent jurisdiction from running an electoral as candidate or hold any positions in political parties. As at 2011,

the said law has barred 330 candidates from running as the electoral candidate (Prado & Carson, 2014). The same goes to Malaysia whereby any individual who has been adjudged by a court for any criminal case including corruption, and who has been sentenced to more than one (1) day imprisonment or a fine more than Ringgit Malaysia Two Thousand (RM2000.00), shall be ineligible to run as candidate in any democratic election in Malaysia.

As Tan Sri Hadenan Abdul Jalil, the MACC's Operations Evaluation Panel Chairman said that those leakage and misuse of funds by the public service will continue as long as there is no proper law to deal with the conduct of the public government officers (Dudley, 2015). He continues to say that the renewed and heavier law on punishment is important in order to curb corruption in Malaysia. Legal framework supports integrity and has proved to be the best weapon against corruption (Reader & Practices, 2012). Legal framework needs to be implemented efficiently and concerted efforts need to be upheld. A country without a proper set of legal framework will be in very critical state which affects every segment of society. Currency plunging, inflation soaring, taxes unnecessarily and arbitrarily imposed, investments and businesses down are among those that will surely happen to the country (Roman, 2012) . Justice system will become a global mockery if the integrity is not upheld. The future and that of the next generation will be at stake. It is well established that when there is proper legal framework and the failure to implement the said law is an indicator of a potentially serious problem happened, such as corruption.

Corruption has been perceived as championing the organised crime. This is because corruption is considered as undermining the rule of law of a particular country. As reported by Singh et al. (2010), an analysis conducted by the National Integrity Country Study Reports found several main drivers of corruption which include regulatory inefficiencies, reluctance

to enforce laws and lack of legislative mechanisms to punish and deter corruption. The corrupted legal framework also hurts economic growth by delaying cases and favouring politically connected legal firms (Y. Wang, 2013). In US, the corruption cases is measured through the convictions of criminals by the legal system, i.e. the US Courts (Hearn, 2014). Between 1976 until 2008, the total number of corruption cases convicted in US amounts to 25,000 criminals (Hearn, 2014). Rose-Ackerman (1999) argued that a workable approach to fight corruption is by implementing a more robust anticorruption laws. This is exactly what has been done to 40 states that have signed the OECD's AntiBribery Convention.

The effects of legal framework on corruption practices in Malaysia are very important to be investigated. This is because in Malaysia, if the corruption cases go on trial at a slow pace with various hindrance, material witness missing, postponement, unnecessary disturbance, interference and interval by either the solicitor or the prosecution, there may be highly likely case the corruption case will be failed to be proved in court, hence warranting acquittal of the accused person and lead to lower conviction rate (Makinuddin, 2013).

Herzfeld & Weiss (2003) elaborates the relationship between a country's legal framework and corruption as follows:

“The level of corruption in a country with an effective legal system may begin to rise in response to, say an external shock. The political elite may find the increased income from corruption irresistible. Once corrupted, the elite will attempt to reduce the effectiveness of the legal and juridical systems through manipulation of resource allocation and appointments to key positions. Reduced resources will make it

difficult for the legal system to combat corruption, thus allowing corruption to spread even more” (Herzfeld & Weiss, 2003, p. 622).

The above inter relation is also emphasized by Jain (2001), Levin and Satarov (2000) and Paldam (2001). It is said that the various forms of corruption are created due to weak legislation body especially in terms of lack of awareness of the law, poorly defined procedures and inconsistencies in the legislative acts. In some occasions, legal practitioners engage in bribe to defend their clients. Law and corruptions are interrelated as the causes and consequences of corruption, hence intertwined (Herzfeld & Weiss, 2003). Andvig (2006) argue that the attractiveness of corruption for bureaucrats is largely dependent upon the effectiveness of the legal framework, or simply put, the chances of being detected and punished (Hasen, 2014). According to Dixit (2014), most anti-corruption strategies that have been proposed in policy forums and by researchers leads to one common feature, that is, the mechanisms and tools are controlled by governments, through police and courts or the establishment of special anti-corruption agency. Some of the corruption experts viewed that strong legal framework is useless as there are also strong deficiencies in implementing the law, thereby resulting a large implementation gap (Batory, 2012).

In the relationship between rule of law and corruption, the distinction between political and bureaucratic corruption is important (Herzfeld & Weiss, 2003). The result shows that higher level of corruption significantly reduces acceptance of established institution and undermines the quality of the judicial system. As such, the result supports the argument suggesting a strong interrelationship between corruption and rule of law. An increase in corruption as a consequence of an exogenous shock will reduce the legal effectiveness (Herzfeld & Weiss, 2003). There are many literatures that suggests the

Government and the lack of political will as the main causes of policy failure in corruption (Batory, 2012). This is because these two powerful agendas i.e. Government and political will always hinder the real effort to combat corruption. The Supreme Court of US in case of *McCutcheon v. FEC*, 2013 WL 3874388 held that the evidence of corruption produced in Court must take into consideration the objective of the enacted laws in fighting corruption (Hasen, 2014). In China, it was said that the court requires a different and high standard of evidence in convicting corrupt cases. The standard of proof requires not only a law has been violated, but why it was violated (Birney, 2014).

Herzfeld & Weiss (2003) have argued and found evidences that an effective legal framework is the main element in reducing the level of corruption. The relationship between rule of law and corruption is like the causes and consequences of corruption and Herzfeld and Weiss (2003) found a significant inter-relationship between rule of law and various measures of corruption. It is said that the implementation of the legal framework declines as more officials become corrupt, which gain influences the expected gain from corruption. The *rakyat* will evaluate why a law was not implemented and it is always said that such non implementation of the rule of laws will be a crystal clear indicator that a corrupt practices happened in the said country (Birney, 2014). The international anti-corruption legal framework has been substantially strengthened in the past two (2) decades with many countries adopting the principle as enunciated and suggested by UNCAC (Wouters, Ryngaert, & Cloots, 2013).

The effect suggests that the corruption is a highly persistent phenomenon and contains strong forces that tend to perpetuate a given level of corruption (Herzfeld & Weiss, 2003). However, there is no study to date that considers the dynamics of corruption and legal quality

and effectiveness. N. Vittal, India former chief vigilance commissioner states that in order to fight corruption, the rules and procedures need to be simplified and there is a need for effective punishments mechanisms for participants in corruption (Singh et al., 2010). In a recent study, the statistic shows that about 57.1percent of the respondents supports additional legal framework to be introduced within their organisations to prevent the staff from committing corruption (Chong & Ahmad, 2015). Abdullah (2008) argues that one of the causes of corruption is the quality of the judicial system. The need of a good preventive law is inevitable to fight corruption among public service. This is because a special dedicated law will provide the legal framework to identify misdemeanour and crime, expeditiously investigate, convict the guilty and mete out the perpetrators as exemplary penalties as a deterrent (Dudley, 2015). A robust legal framework is still absent in the developing countries compared to developed nation. In Ernst & Young Global Limited (2013) report, it is reported that Malaysians want the government to do more in its fight towards corruption

In the context of Malaysia, in order to curb corruption, the Government has put a lot of emphasis by amending and strengthening the existing law in Malaysia. Such initiative can be evidenced as the Parliament has amended the Malaysian Anti-Corruption Commission Act 2009 (Act 694) which came into operation on 1 January 2009 by strengthening the power of MACC to curb corruption in Malaysia. The offence of corruption is criminal in nature and penalised under the Act 694. According to the Deputy Commissioner of MACC, Datuk Mustafar Ali (Utusan Malaysia, 2015), the enforcement of the legal framework in Malaysia has resulted the CPI Index of Malaysia for year 2014 has improved to number 52 from number 53, a year before. Certainly the sound and concrete legal structure are needed and has to be implemented in holistic manner for the Government to administer it. A legal

framework of institutions, laws and practices are essential as they create a system of governance through systems of accountability. (IIM and UN, 2007).

The Malaysian legal framework requires that government to operate within the confine of the law and the aggrieved *rakyat*, whose interests have been adversely affected, be entitled to approach an independent legal framework to adjudicate in accordance to the law. Quah (2003) said that the critical factor for the success in fighting corruption is not the number of anti-corruption initiatives but whether these initiatives are fairly and impartially executed. He further said “Political will is absent when the big fish are protected from prosecution for corruption and only small fish are caught. Under these circumstances, the anti-corruption strategy lacks credibility and is doomed to failure” (Quah, 2003). These anti-corruption strategies include setting up anti-corruption agencies, special courts, dedicated prosecution services and strong legal framework (Batory, 2012).

Previously in Malaysia, in the repealed Prevention of Corruption Act 1961 and the Anti-Corruption Agency Act 1982, the penalty to those who commits corruption can only be fines and there was no mandatory jail sentences (A. Y. Yusoff, Murniati, & Greyzilius, 2012). However, since 1999, it is mandatory that those who have been found guilty by the court of competent jurisdiction or pleaded guilty, to be imprisoned for at least a minimum of fourteen (14) days. As such, the law has been enhanced that imprisonment is the common punishments to those corrupt persons (Batory, 2012). Nowadays, the public also are legally obliged to report any corrupt practices that they know and have knowledge in. Otherwise, a person can be charged for non-reporting of such incident (Section 25 MACC Act 2009)

There are four crystal clear and manifest offences as contained in the Malaysian Anti-Corruption Act 2009 (MACC Act 2009) in regards to corruption. The offences include soliciting and/or to receive gratification (Bribe) [section 16 & 17(a) of MACC Act 2009], offering and/or to give gratification (Bribe) [section 17(b) MACC Act 2009], intending to deceive (False Claim) [Section 18 MACC Act 2009] and using office or position for gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009].

In all the above corruption offences as provided under the MACC Act 2009, the requirement and focused criterion helps identify evidence that conclusively establishes the mens rea and the actus reus for bribery and related offences (Stein, 2012). Criticism against the Government is that the MACC can only managed to nab the *ikan bilis* or small fish rather than big fish. According to Quah (2003), MACC has been frequently alleged only targeted *ikan bilis* for easier prosecution in court. There were only few “big fish” has been arrested and what make the thing worst is that these big fish were acquitted in court. The problem seems to be the difficulty in obtaining evidence for prosecuting even though the public perception is that they are corrupt. Therefore there is a call for presumption of corruption and public accountability clause in the MACC Act 2009 for effective prosecution. Besides, there were also arguments that the Attorney General who prosecutes the accused is appointed by Yang di Pertuan Agong on the advice of the Prime Minister. Unlike in other advanced countries, the attorney general is a Member of Parliament and hence subject to questions by the members of Parliament in all their acts and action.

The setting up of the 14 special Sessions Courts, presided by senior Session Court judges on 16 February 2011 that specifically handled corruption cases was a good start to the country in fighting corruption. All these special courts have been tasked to speed up the trial

of corruption cases without neglecting the natural justice and such expeditious disposal of corruption cases must be completed within one year particularly when a case involve public interest. The appointed judges are tasked to ensure all the cases before them are decided and delivered within the one year stipulated time unless there is situations warrant otherwise. The setting up of these special courts have resulted a significant increase in statistics of disposition of corruption cases whereby these special courts have managed to decide and dispose of 77.7percent of cases registered (Makinuddin, 2013). On the success of the prosecution of corruption cases before the courts in 2011, a total of 472 accused persons were convicted on corruption charges. The sentences were meted out in accordance to the seriousness of the corruption cases which varies from one case to the other (Makinuddin, 2013).

The seriousness of the Malaysian Government in fighting corruption can be seen by the initiative of the Government in enacting couple of other legislations in order to support the Malaysian Anti-Corruption Commission Act 2009. These laws include the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 (AMLATFPUAA) which outlaws money laundering and terrorism financing activities. This piece of legislation is an important Act to curb corruption which has no borders (Khoo, 2015). The other two Acts are the Whistleblower Protection Act 2010, which facilitates reporting of corrupt practice and protects whistleblowers from reprisal and the Witness Protection Act 2009, which seeks to ensure protected parties are able to serve as witnesses.

Besides, there are few other codes and protocols such as the Malaysian Code on Corporate Governance 2012 and the Malaysian Code of Business Ethics. These codes are issued by the Securities Commission of Malaysia and the Ministry of Domestic Trade, Co-

operatives and Consumerism respectively. The objective of the former is to inculcate a culture of good governance as well as address and strengthen key areas of the corporate governance ecosystem (Companies Commission of Malaysia, 2014).

Gratification is a crime under MACC Act 2009 as gratification or corruption is defined as an act of giving or receiving of any gratification or reward in the form of cash or in-kind of high value for performing a task in relation to his/her job description.

The word gratification is defined in the MACC Act (2009) to mean the following:

- (a) Money, donation, gift, loan, fee, reward, valuable security, property or interest in property being property of any description whether movable or immovable or any similar advantage;
- (b) Any office, dignity, employment, contract of employment or services and any agreement to give employment or render services in any capacity;
- (c) Any payment, release, discharge or liquidation of any loan, obligation or other liability, whether in whole or in part;
- (d) Any valuable consideration of any kind, any discount, commission, rebate, bonus, deduction or percentage;
- (e) Any forbearance to demand any money or money's worth or valuable thing;
- (f) Any other service or favour of any description, such as protection from any penalty or disability incurred or apprehended or from any action or proceedings of a disciplinary,

civil or criminal in nature, whether or not already instituted, and including the exercise or the forbearance from the exercise of any right or any official power or duty; and

- (g) Any offer, undertaking or promise, whether conditional or unconditional of any gratification within the meaning of any of the preceding paragraphs (a) to (f).

The abuse of public office or position in the context of section 2 of the MACC Act 2009 must mean wrongful use of office or position (*Baharudin Ahmad v. PP*, 2010). In order to constitute an offence, the abuse of public officer position must be for the purpose of obtaining a gratification (*PP v. Dato' Ramli Yusuff*, 2012). To prove a corrupt act, the prosecution must prove the purpose of gratification was received and unlawful (*PP v. Dato' Saidin Thamby*, 2012).

There are four (4) main offences stipulated in the MACC Act 2009 as follows:

- 1) Soliciting/Receiving Gratification (Bribe) [section 16 & 17(a) MACC Act 2009];
- 2) Offering/Giving Gratification (Bribe) [section 17(b) MACC Act 2009];
- 3) Intending to Deceive (False Claim) [Section 18 MACC Act 2009];
- 4) Using Office or Position for Gratification (Bribe) (Abuse of Power/Position) [Section 23 MACC Act 2009].

Failure to report any act of corruption can tantamount to the following charges:-

- 1) Any person who knows and fails to report an act of giving and offering of bribes is committing an offence under Section 25 (1) and (2) of the MACC Act 2009;

- 2) Section 25 (1) and (2) of the MACC Act 2009 provides the following sentences of fine not exceeding one hundred thousand ringgit; and /or imprisonment not exceeding ten (10) years or to both.;
- 3) Any person who knows and fails to report an act of soliciting and obtaining of bribes is committing an offence under Section 25 (3) and (4) of the MACC Act 2009;

Section 25 (3) and (4) of the MACC Act 2009 provides the sentences of fine not exceeding ten thousand ringgit and/or imprisonment not exceeding 2 years or to both.

Besides the provisions in MACC Act 2009, there is also a section in the Malaysian Penal Code that deals indirectly with corruption. The said section 165 of Penal Code provides that whoever, being a public servant accepts or obtains or agrees to accept or attempts to obtain for himself or for any other person any valuable thing without consideration shall be considered to commit an offence under the said Penal Code (*Mohd Khir Toyo lwn. PP*, 2013).

There are many relevant Acts that relate to corruptions. Among others are the following current Acts of Parliament:

- i. Federal Constitution;
- ii. Malaysian Anti-Corruption Commission (MACC) Act 2009 (Act 694);
- iii. Penal Code (Act 574);
- iv. Criminal Procedure Code (Act 593);
- v. Anti-Money Laundering And Anti-Terrorism Financing Act 2001 (Act 613);
- vi. Mutual Assistance In Criminal Matters Act (MACMA) 2002 (Act 621);
- vii. Witness Protection Act 2009 (Act 696);

viii. Whistleblower Protection Act 2010 (Act 711)

Despite the above complete sets of legal framework, the MACC is contemplating to amend the MACC Act 2009 in this near time so as to include the Corporate Liability Law (Malaysian Anti-Corruption Commission, 2009). MACC Chief Commissioner, Tan Sri Abu Kassim Mohamed was quoted to say that the new MACC Act 2009 will help to change the business ethics and legal framework on corruption in Malaysia. At the moment, the summary of the legal framework that the Malaysian Government has initiated are as in Table 2.4 below:

Table 2.4 Government of Malaysia Legal Framework Initiative

No.	Legal Framework Initiatives	Sources
1.	Protection to whistleblowers	Whistleblower Protection Act 2010
2.	Establishment the Enforcement Agency Integrity Commission	Enforcement Agency Integrity Commission Act 2009
3.	Protection given to witness	Witness Protection Act 2009
4.	Compliance Unit established in key enforcement agencies	PSD's Circulars
5.	14 specialized anti-corruption courts	Federal Court Ruling
6.	Corruption database to name and shame offenders	MOF's Circular
7.	Ratifying framework for anti-corruption by ratifying the United Nations Convention Against Corruption	MACC's Ruling

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction

It is worth noting that, in charting the road towards Vision 2020 that sees Malaysia as a developed country, corruption issue needs to be seriously curbed. The present study is one of the important initiatives to identify the implementation of measures taken by the Government in fighting corruption to the maximum level. In light of the Principal-Agent Theory and Institutional Theory, the present study proposes three main mechanisms that need to be investigated in order to minimize corruption practices in Malaysia. The subsequent section elaborates in detail the framework advanced for further inquiry.

3.2 Research Framework

As stated at the outset, the aim of this study is to identify the effects of NIP, e-Government and legal framework in reducing the corruption practices in Malaysia. The subject of the research is randomly made among the legal practitioners in the four (4) states of Penang, Federal Territory of Kuala Lumpur, Johor and Selangor. Given the recent emphasis on NIP, e-Government and legal framework in the context of Malaysia as means and initiatives to curb corruption practices, this study probes into these three (3) main factors that have been existed and implemented to help eradicate corruption practices, hence treated as independent variables. The details of the research framework as shown in Figure 3.1:--

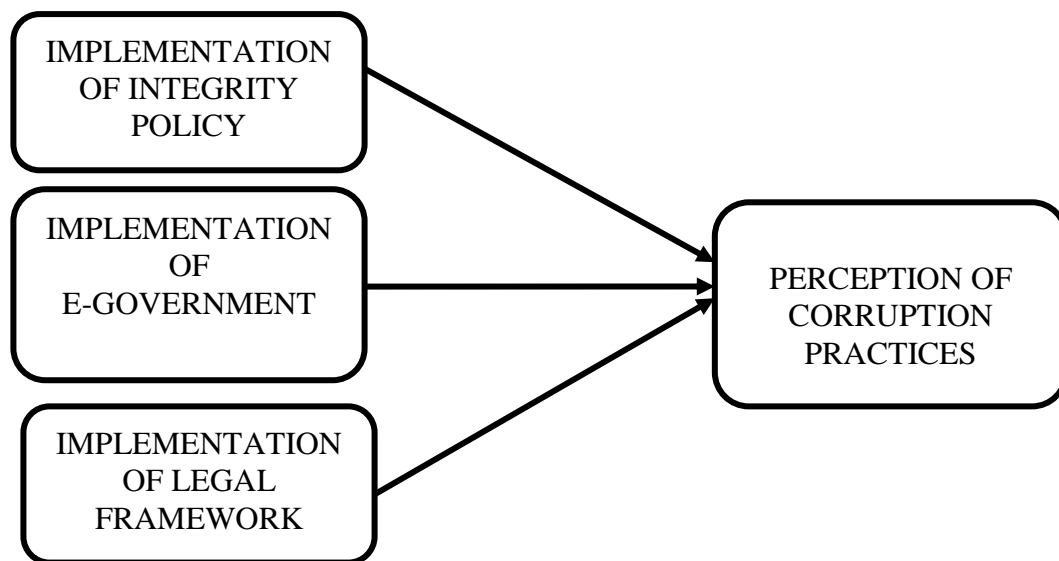


Figure 3.1 *Research Framework*

3.3 Hypotheses Development

The integrity policy is considered a key determinants of public trust in the government and central concept of good governance in a country. An effective integrity policy system shall consists of all components such as practices, enforcement, education, government’s vision, leaders, political will, institutions, integrity guardians, power to execute as well as the theoretical model for the effective enforcement. Six & Lawton (2013) argues that it is timely to assess and examine how effective the theory of integrity policies in the fight against corruption. As such, this study developed and tested the hypotheses development as whether the implementation of the NIP is positively related to the reduction of corruption practices in Malaysia.

As corruption is no longer a local matter, countries worldwide have resorted to the use of technology in fighting corruption. One of the technologies available, developed and widely applied is the e-Government. The e-Government has become a huge multiplier in the fight to curb corruption. Even the simple e-Government implementation in the poor

countries, such as Rwanda, have decreased the corruption activities in the said countries (Gray, 2016). E-Government is important and beneficial tools as it cut out the agent, intermediaries and human discretion and intervention. Together with the reform of this e-Government, this study investigates whether implementation of e-Government is positively related to the reduction of corruption practices in Malaysia.

Article 50 of the United Nations Convention against Corruption (UNCAC) provides that to combat corruption effectively, each state parties take its domestic laws and internal legal framework to be fully comprehensive and function. The measures include wide investigative techniques, witnesses law, whistleblowers framework, conflict of interest law, power to arrest and appropriate bilateral and multilateral agreements at the international level (Aras, 2014). Notably, the UNCAC encouraged the strengthening and ratification of legal framework as one of the best means to fight corruption. This study investigates whether the implementation of legal framework is positively related to the reduction of corruption practices in Malaysia.

Against this backdrop, the following hypotheses are conjectured:

- H1: The implementation of the NIP is related to the reduction of corruption practices;
- H2: The implementation of e-Government is related to the reduction of corruption practices;
- H3: The implementation of legal framework is related to the reduction of corruption practices.

3.4 Research Design

This study employs a quantitative research design in an attempt to examine and describe the effects of NIP, e-Government and legal framework on the corruption practices in Malaysia. A survey research method issued and a questionnaire was administered to the legal practitioners selected as the sample of the study. Due to the nature where data would only be collected one time throughout the research, this study is considered a cross-sectional study (Ellis & Levy, 2010). According to Isaac and Michael (1990), the purpose of the correlational study is to investigate the relationship to which variations in one factor correspond with variations in one or more factors based on the correlation effect. The variables in this study were measured at the individual level.

3.5 Population and Sample

According to Zikmund (2006), population refers to a complete group of entities that share some common set of characteristics whereas sample is a subset of a larger population. The study chooses the legal practitioners as the legal profession has always associated with the integrity and a solicitor must act without fear and favour in all cases that he or she represented. The solicitors are obligated to 'uphold the cause of justice and the choice of selecting the legal practitioners also lies with what Justice Pagone dictum in the an Australian case of *Frugniet v. Board of Examiners [2005] VSC 322*, n.d.). The judge said:

“The level and extent of trust placed in what legal practitioners say or do is necessarily high and the need for honesty is self-evident and essential”.

It is best to note that all the legal practitioners in Malaysia must have undergone compulsory ethics training during their chambering period that every word they say speaks the truth, every action they take, serves the law for their zeal for justice, integrity and firm principle in public and family life. Their advocacy will promote righteousness, justice and love, and they will have a burden and willingness to defend the rights of the poor and needy (Parliament of Malaysia, 2006).

In the context of this study, the sampling frame are the legal practitioners in the state of Penang, Federal Territory of Kuala Lumpur, Selangor and Johor only as these are the states where almost 80 percent of the legal practitioners are actively practising their legal areas. The sampling frame of legal practitioner refers to an advocate and solicitor registered with the Malaysian Bar Council and has the valid practising certificate issued by the High Court of Malaya. Only those individuals who satisfies these two (2) requirements are qualified to represent clients as the legal practitioners in all the courts, subordinate or high courts in Malaysia. Historically, the Malaysian legal framework originates and follows strictly the legal tradition as in England and Wales where the legal practitioners took conduct of litigation and undertook advocacy in the lower courts and the contractual agreements including transfer of properties, will, bequest and corporate acquisition.

The profession of the legal practitioners has developed significantly since our independence day of 1957 although only a handful of solicitors acquired higher rights in the first batch of legal practitioners in the early 1960s and 1970s.

3.6 Sampling and Sample Size

In this study, systematic random sampling under probability sampling category is chosen as the sampling method. Systematic random sampling is used in this study to ensure that each unit of respondent has equal probability of inclusion in the sample as well as it extends the sample to all the legal practitioners' population (Barreiro & Albandoz, 2001). In this method of sampling, the first unit is selected with the help of random numbers and the remaining units are selected automatically according to a predetermined pattern, which in this study, every fifth (5th) of the legal practitioners respectively from each state of Penang, Selangor, Johor and Federal Territory of Kuala Lumpur as contained in the list of the Malaysian Bar Council Directory (current as at 1st November 2015) are chosen to ensure that the study can produce a smaller error in estimation for the same total size of sample.

The list of the legal practitioners were drawn out from the Malaysian Bar Council directory in the Bar Council website. The online version of the Malaysian Bar Council Directory 2015 can be viewed and uploaded from the URL of http://www.malaysianbar.org.my/find_a_lawyer.html.

The focus of the study on the four (4) states is mainly due to the following reasons:

- 1) More than two third (2/3) or precisely 80 percent of the legal practitioners' population are concentrated in the Penang, Selangor, Johor and Federal Territory of Kuala Lumpur.

- 2) There are 11,788 legal practitioners actively practised their profession in these four (4) states out of the total 14,681 legal practitioners in Peninsular Malaysia and Federal Territory of Labuan.
- 3) In Penang, there are 1135 listed active legal practitioners, practising in the 554 legal firms in the state.
- 4) In Selangor, there are 3335 listed active legal practitioners, practising in the 1686 legal firms in the state.
- 5) In Federal Territory of Kuala Lumpur, there are 6215 listed active legal practitioners, practising in the 1883 legal firms in Federal Territory of Kuala Lumpur.
- 6) In Johor, there are 1103 listed active legal practitioners, practising in the 619 legal firms all around Johor.

Table 3.1 below depicts the sampling frame and number of sample chosen to participate in the e-Survey based on the systematic random sampling procedure.

Table 3.1 Sampling Method

States	No of registered legal practitioners	Total sample selected based on systematic random sampling (every 5th element)
Penang	1135	227
Selangor	3335	667
Federal Territory of Kuala Lumpur	6215	1243
Johor	1103	220

TOTAL	11788	2357
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Past literature has shown that the response rate for social science studies is between fifteen percent (15 percent) to twenty five percent (25 percent). Based on Krejcie & Morgan (1970) sampling Table 3.2 as shown below, a population of approximately 15,000 would require a sample of approximately 375. Based on the available list, there are 11,788 legal practitioners who are actively practising their profession in these four (4) states of Penang, Selangor, Federal Territory of Kuala Lumpur and Johor, hence a minimum of 2357 emails containing e-Survey were sent out.

Table 3.2 Krejcie and Morgan Sampling Table

<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>	<i>N</i>	<i>S</i>
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	100000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970

3.7 Measurement Scale and Questionnaire Design

The measurement scale that is utilised to measure the key constructs for this study is interval scale since interval scale is more powerful than nominal and ordinal scale (Sekaran, 2006). Likert scale is used to measure the dependent variable (corruption practices) and independent variables (the implementation of NIP, e-Government and legal framework). In this study, the respondents were asked to choose a scale ranging from 1 = completely disagree to 7 = completely agree in responding to the statements that represents all the key constructs.

The second type of scale employed in this study is nominal scale. According to Sekaran (2006), nominal scale allows researcher to assign subjects to certain categories or groups and provides some basic, categorical and gross information. For this study, nominal scale is used to generate demographic data of the respondents, including the gender, and educational level of the respondents. Next, the ratio type of scale is also utilized in this study. Ratio scale is employed to obtain information on the respondents' age.

As shown in Table 3.3 below, the questionnaire set consisted of five (5) sections to measure the variables in the study.

Table 3.3 Variables for the Study, Source, Internal Consistency and Number of Items

Section	Variable	Number of Items
1	Demographic Profile	10
2	Corruption Practices	7
3	National Integrity Policy	7
4	E-Government	7
6	Legal Framework	7
Total		38

(Refer to Appendix 1)

The study measures the corruption practices, NIP, e-Government and legal framework based on the measurement items adapted from the previous studies. The details are compiled in Table 3.4. The measurement items are measured based on 7 point Likert Scale (1 = Completely Disagree, 2 = Strongly Disagree, 3 = Disagree, 4 = Neutral, 5 = Agree, 6 = Strongly Agree 7 = Completely Agree).

Table 3.4 Measures the Corruption Practices, NIP, e-Government and Legal Framework

Variable	Source	Measurement Items
Corruption Practices	(Ahmed, 2010)	<ol style="list-style-type: none"> 1) Corruption is widespread in Malaysia 2) The Government is committed to provide enough information about the issues of corruption in the Government to the public? 3) The Government is committed to increase the level of integrity among its Government's servants. 4) The Government is committed to execute the National Integrity Policy in fighting corruption. 5) The Government is committed to implement full e-Government in order to reduce corruption. 6) The Government is committed to improve the legal provision in the current MACC Act 2009 in fighting corruption. 7) The Government is committed to reduce red-tapes and monopoly in order to reduce corruption. 8) Fighting corruption is fundamental to political stability and economic development of Malaysia? 9) The Government is sincere to fight against corruption? 10) The NGOs such as Transparency International Malaysia and Centre to Combat Corruption and Cronyism are doing their best in monitoring and fighting corruption? 11) MACC's program on anti-corruption, transparency and accountability is important and needed?
National Integrity Policy	KPMG Report (2010)	<ol style="list-style-type: none"> 1) Do you aware that Malaysia has its own National Integrity Plan? 2) Do you think the National Integrity Plan put in place is adhered to? 3) Do you think Malaysia's National Integrity Plan is relevant and needed? 4) Do you think the National Integrity Plan need to be revised in order to

ensure the relevancy?

- 5) Do you think the National Integrity Plan has reduced corruption in Malaysia?
- 6) Do you think the National Integrity Plan has been implemented efficiently by MACC and IIM?
- 7) Do you think the National Integrity Plan has been adopted by all Government Ministries and agencies?
- 8) Do you think the National Integrity Plan achieved its objectives and mission?

E-Government

(United Nations, 2014)

- 1) Do you think the e-Government has reduced corruption in Malaysia?
- 2) Do you think the e-Government has been implemented efficiently by MAMPU?
- 3) Do you think the e-Government has been well received and adopted by Malaysian?
- 4) Do you think the e-Government should be widen and improved?
- 5) Do you think the e-Government is vital in Government transformation in Malaysia?
- 6) Do you think that lesser human discretion leads towards good perception in fighting corruption?
- 7) Do you think that e-Government should be improved?

Legal

Framework

(Ahmed, 2010)

- 1) Do you think weak legal framework is the main cause of corruption?
 - 2) Do you think too much rules and regulations is the main cause of corruption?
 - 3) Do you think legal framework is good but weak implementation is the main cause of corruption?
 - 4) Do you think corrupt law enforcing agencies themselves is the main cause of corruption?
-

Given the absence of specific instrument to measure the key construct that is directly relevant to the context of Malaysia, and the objectives of this study, the items available in the published integrity documents were used as a baseline and adapted where appropriate in the construction of the questionnaires.

The selected items were incorporated in the questionnaires and submitted to the five (5) expert panels to ensure the face validity of the instruments. Under this method, experts are assigned to review the questionnaires and identify if the item is problematic (Rothgeb et al., 2001). The problematic items were modified, restructured or removed based on the experts' suggestions. This study views experts as individuals who engage in academic research and individuals who are very closely related to the industry. Five experts in the subject matter of corruption were approached to review on the questionnaire items for this study; 1) Prof. Dato' Dr. Ishak Ismail - UMP; 2) Prof. Dato' Dr. Muhamad Jantan - USM; 3) Prof. Datuk Dr. Omar Shawkataly - USM; 4) Prof. Dato' Seri Dr. Md. Salleh Yaapar - USM; and 5) Associate Professor Dr. P. Sundramoorthy – USM. Based on the expert panel review, Table 3.5 depicted the items that are included for the subsequent pilot study.

Table 3.5 Measurement Items for Key Constructs

Constructs	Items for Expert Review	Finalised items based on Expert opinion
NIP	Malaysia has a good National Integrity Plan.	National Integrity Plan is a good initiative by the Government to fight corruption.
	Malaysia's National Integrity Plan is well implemented.	National Integrity Plan has been implemented efficiently by the Government.
	Malaysia's National Integrity Plan is relevant.	
	Malaysia's National Integrity Plan is timely.	National Integrity Plan has been designed to combat corruption

	Malaysia's National Integrity Plan has reduced corruption in Malaysia.	efficiently. National Integrity Plan is relevant.
	Malaysia's National Integrity Plan has been implemented efficiently by MACC and IIM.	National Integrity Plan has improved the transparency and anti-corruption image of Malaysia.
	Malaysia's National Integrity Plan has been adopted by all Government Ministries and agencies.	National Integrity Plan is comprehensive. National Integrity Plan need to be improved.
	Malaysia's National Integrity Plan achieved its objectives and mission.	
e-Government	the e-government has reduced corruption in Malaysia.	E-Government has been designed to combat corruption efficiently.
	the e-government has been implemented efficiently by MAMPU.	E-Government has achieved its objectives and mission.
	the e-government has been well received and adopted by Malaysian.	E-Government has been implemented efficiently by the Government to fight corruption.
	the e-government is vital in technology transformation in Malaysia in fighting corruption.	E-Government is relevant.
	the e-government allows lesser human discretion that could contribute to corruption.	E-Government requires adoption by all Government Ministries and agencies.
	the e-government is a tool in fighting corruption in Malaysia.	E-Government allows lesser human discretion.
		E-Government requires improvement.
Legal Framework	comprehensive and able to fight all types of corruption. relevant. sufficient. well implemented. fair.	Comprehensive Relevant Sufficient Efficiently implemented by the Malaysian Court Fair Updated

		Able to fight corruption in Malaysia
Corruption Practices	<p>There is reduction in corruption cases in Malaysia.</p> <p>People do not achieve high standards of living through corruption.</p> <p>There are reduced cases of concentration of wealth due to corruption.</p> <p>The Malaysian Government commits, sincere and serious to fight and reduce corruption in Malaysia.</p> <p>The Malaysian Government commits to increase the level of integrity among its Government's servants.</p> <p>The Malaysian Government commits to execute the integrity policy in fighting corruption.</p> <p>The Inspector General of Police is doing the best in fighting against corruption.</p> <p>The Chief Commissioner of MACC is doing the best in fighting against corruption.</p> <p>The Attorney General is doing a fair and non-selective prosecution in fighting against corruption.</p> <p>The Malaysian Integrity Institute is doing the best in implementing the National Integrity Plan (PIN).</p> <p>The NGOs such as Transparency International Malaysia and Centre to Combat Corruption and Cronyism are doing their best in monitoring and fighting corruption.</p> <p>MACC programmes on anti-</p>	<p>There is a reduction of corruption cases in Malaysia in the past three (3) years (since 2012).</p> <p>The Government is committed in fighting corruption.</p> <p>The Government is doing its best in fighting corruption.</p> <p>The Government is sincere in fighting corruption.</p> <p>The Government programmes on anti-corruption are effective.</p> <p>The NGOs such as Transparency International Malaysia are committed in fighting corruption.</p> <p>The NGOs such as Transparency International Malaysia's programmes on anti-corruption are effective.</p>

corruption are effective.

IIM and other NGOs programmes on anti-corruption are effective.

(Refer to Appendix 2)

3.8 Pilot Study

Once the questionnaire has been revised by the expert panels, the amended version of the questionnaires were sent out for pilot testing to determine how well the questionnaire works in measuring the variables under study (Hunt, Sparkman Jr, & Wilcox, 1982; Presser et al., 2004; Rothgeb, Willis, & Forsyth, 2001). The pilot study allows the researcher to detect issues relating to the questionnaire before distributing it to the real respondents for data collection. This pilot testing is conducted to improve the quality, reliability and validity, to identify the strengths and weaknesses of the instruments used in the study and to avoid items with unnecessary idea, and inappropriate phrasing (Presser et al., 2004; Rothgeb et al., 2001). The researcher also want to ascertain whether the items in the questionnaire were clear, understandable and acceptable.

Pilot test involves the use of small set of respondents with comparable characteristics to the real respondents to ensure that the questionnaire items are clear and understood by the respondents hence, reduces problems such as the ambiguous wording and biases and appropriateness in the research context (Bryman & Bell, 2011; Sekaran, 2006).

For the pilot study, twenty (20) legal practitioners who are currently practising in Penang, Selangor, Johor and Federal Territory of Kuala Lumpur have been chosen based on convenience sampling. These respondents represent the comparable characteristics of the legal practitioners who are involved in the full fledged study.

The details of the twenty (20) legal practitioners for the pilot study respondents are in Table 3.6 as follows:

Table 3.6 Pilot Study Respondents

No.	Name	Firm's Name
1.	Legal practitioner A	Firm 1 – Penang
2.	Legal practitioner B	Firm 2 – Penang
3.	Legal practitioner C	Firm 3 – Penang
4.	Legal practitioner D	Firm 4 –Kuala Lumpur
5.	Legal practitioner E	Firm 5 - Kuala Lumpur
6.	Legal practitioner F	Firm 6 – Selangor
7.	Legal practitioner G	Firm 7 – Penang
8.	Legal practitioner H	Firm 8 – Selangor
9.	Legal practitioner I	Firm 9 – Penang
10.	Legal practitioner J	Firm 10 - Kuala Lumpur
11.	Legal practitioner K	Firm 11 – Penang
12.	Legal practitioner L	Firm 12 - Kuala Lumpur
13.	Legal practitioner M	Firm 13 – Kuala Lumpur
14.	Legal practitioner N	Firm 14 - Kuala Lumpur
15.	Legal practitioner O	Firm 15 - Kuala Lumpur
16.	Legal practitioner P	Firm 16 – Selangor
17.	Legal practitioner Q	Firm 17 – Johor
18.	Legal practitioner R	Firm 18 – Selangor
19.	Legal practitioner S	Firm 19 – Selangor
20.	Legal practitioner T	Firm 20 - Kuala Lumpur

In the pilot study, the respondents informed that the questionnaire is understood and relevant to the corruption practices. Based on the comments and responses, several minor changes were made. The minor changes does not affect any of the content of the questionnaire. Legal Practitioner Q has provided a small note that he looks forward to the finding of the study as it would contribute to a better understanding on the implementation of the Government initiatives in fighting corruption.

3.9 Data Collection Procedure

This study utilised primary data collection approach using questionnaires. According to Sekaran (2006), questionnaire surveying is an efficient data-collection mechanism when the researcher knows exactly what is required and how to measure the variable of interest. This study opted for online survey (e-Survey) given the advantages of cost-effective, flexible design and convenience. Since the present study focused on 4 states namely Penang, Selangor, Kuala Lumpur and Johor, the Malaysian Bar Council database was utilized to extract sample for this study. Emails containing a cover letter inviting the legal practitioners to participate in this study together with the link to access the e-Survey were sent to 2357 legal practitioners (refer to Appendix 4).

3.10 Data Preparation

Prior to analysis, the responses gathered from the questionnaires distributed to the respondents were coded, entered into a database and edited. Since data processing software such as Statistical Package for Social Science (SPSS) only recognizes numbers, coding is needed as it involves assigning a number to each response gathered to enable it to be entered into the software for further analysis (Sekaran & Bougie, 2010). Furthermore, coding enables

quick data entry using the numeric keypad with fewer errors (Saunders et al., 2009). Illogical response, inconsistent answer, and omission in respondents' response were checked and defects found were removed. Numeric coding was applied by assigning numbers to the given answers. The responses to the respondents' demographic profile were coded from 1 onwards depending on the number of response options provided in the questionnaires. For example, the respondent's gender was recorded as "1" for male and "2" for female. Items for the main variables, such as corruption practices were coded by using the actual number selected by the respondents in the provided Likert scale.

Next, the coded responses were checked for coding illogical relationship and to confirm legitimacy. Illegitimacy codes exist when letters are entered instead of number. For example instead of entering 0, letter 'O' is entered or 1 is mistakenly entered with letter 'I'. In this phase, the data was specifically subjected to data preparation using IBM SPSS Statistics V22.0. In order to check the accuracy of data entry descriptive statistics such as minimum (min), maximum (max) and mean for each item used in the questionnaire was used.

3.11 Data Analysis Technique

Statistical Package for the Social Sciences (SPSS), version 22 was used to analyse the collected data.

3.11.1 Factor Analysis

Factor analysis was conducted to define the underlying structure among the variables in the analysis. Once the underlying structure was confirmed, the interrelationships among variable was analysed (Hair, Black, Babin, & Anderson, 2013). As rules of thumb, Hair et al.

(2010) the absolute minimum sample size should be 100 or larger. The sample size proposed for this study is 375, hence, fulfilled the sample size requirement.

3.11.2 Reliability analysis

Reliability test was conducted to measure the Cronbach's alpha which refers to the extent which a variable or a set of variables is consistent in what it is intended to measure (Hair et al., 2010). Hair et al. (2010) further suggest that the generally acceptable lower limit of Cronbach's alpha is 0.7 and 0.6 for exploratory research.

3.11.3 Frequency analysis

The analysis for respondent's socio-demographic characteristics such as gender, age, race, level of education and firm location was also undertaken to understand the tabulation of sample for the present study.

3.11.4 Descriptive analysis

In explaining the profile of the respondents, the frequency distribution method was presented. According to Sekaran (2006), the method is referred to as the number of times various subcategories of a certain phenomenon occur, from which the percentage and the cumulative percentage of their occurrence can be easily calculated. Other than that, frequency distribution can also be visually presented as bar charts, histograms, or pie chart (Sekaran, 2006). Despite, the mean of the respondents' age, educational program enrolled were determined.

3.11.5 Multiple regression analysis

Multiple regression analyses was used to test the research hypotheses. This analysis was undertaken to test and explain causal theory, and can also be used as an inference tool to test hypotheses and estimate population values (Cooper & Schindler, 2006). According to

Hair et al., the number of observation needed to execute multiple regression is 5:1 Hence a minimum number of observations needed are 75 (15 dimensions X 5) . Since the sample size for this research has been determined at 375, this study had fulfilled the sample size requirement.

Next, the issue of outliers must be addressed as multiple regression is very sensitive to outliers and may distort the regression result. (Pallant, 2007). Hair et al. (2010) defined outlier as an observation that has a substantial difference from Outliers can be identified from the standardized residual plot. Tabachnick & Fidell (2007), define outliers as those with standardized value above 3.3 or less than – 3.3. These outliers need to be removed from the data set (Pallant, 2007).

Once the issue of outliers are addressed, this research then proceeded to check whether all the assumptions of multiple regressions are fulfilled. There are five assumptions that underpinned the use of multiple regressions as suggested by Hair et al. (2010), Pallant (2007) and Studenmund (2006) namely:

a) Normality

In multiple regression, it is assumed that all data used were equally distributed. To test the normality of the distribution, normal probability plots was used. When distribution is normal, the value of skewness and kurtosis should be close to zero.

b) Linearity

Linearity refers to the degree to which the change in the dependent variable is associated with the independent variable. It is assumed that the regression

coefficient is constant across the range of values for the independent variable.

Linearity can be tested through residual plots.

c) Homoscedasticity

Homoscedasticity can be defined as the situation where variance of errors is the same across all levels. If the dispersion (variance) is unequal across values of independent variables, the relationship is said to be heteroscedastic. Homoscedasticity can be diagnosed with residual plots.

d) Multicollinearity

Multiple regression or high correlations between independent variables can pose of problem as multicollinearity can reduce an independent variable predictive power. Hence, to maximize the predictive power from a given number of independent variables, these independent variables must have low multicollinearity with other independent variables and at the same time, also have high correlations with the dependent variable. Multicollinearity can be examined through the tolerance value or variance inflation factor (VIF). If the tolerance value is less than 0.1, or a VIF value is above 10 indicates multicollinearity.

e) Autocorrelation

Autocorrelation refers to the correlation of errors. Autocorrelation errors reduce the efficiency of Ordinary Least Square (OLS) estimators and bias estimated standard errors. This assumption can be tested by examining the sample residual.

In a nutshell, this chapter provides detail on the research design, population and sample, sampling and sampling size, questionnaire design, data collection process and data analysis technique that were used in this research.



CHAPTER 4: RESULTS AND DISCUSSION

4.1 Introduction

This chapter reports the results of the analysis, which are related mainly to the research questions advanced in Chapter 1. The results are presented in four (4) sections which include: (a) the description of the related information pertaining to the characteristics of the sample with regards to the demographic variables undertaken in the study; (b) the descriptive statistics for each of the subscales that formed the main construct (such as the mean and standard deviations) and factor analysis of the key variables; (c) testing of the demographic differences for four main variables perceived by the sample, namely perceived corruption practices, NIP; e-Government and legal framework; and (d) examining the determinants that affects the legal practitioners perception on corruption practices in Malaysia. As this study is quantitative in nature, the numerical data obtained from the survey were analysed using IBM SPSS Statistics V22.0.

4.2 Demographic Characteristics of the Sample

Table 4.1 presents the results of the descriptive statistics calculated for the demographic variables pertaining to the characteristics of the sample of legal practitioners participated in the study. The total number of sample for this study is 378 legal practitioners selected from four states located in Peninsular Malaysia, namely 1) Penang, 2) Selangor, 3) Federal Territory of Kuala Lumpur and 4) Johor.

73 (19.3 percent) the legal practitioners selected as the sample are from the state of Penang, 97 (25.7 percent) are from Selangor, 146 (38.6 percent) from Federal Territory of Kuala Lumpur and 62 (16.4 percent) of the sample are selected from Johor respectively.

Majority of the respondents are Malays, which consists of 200 respondents (52.9 percent), followed by Chinese (116 or 30.7 percent) and 62 (16.4 percent) are Indian which incidentally reflects the general composition of the ethnicity in Malaysia itself. With regards to the gender, most of the sample are 224 male legal practitioners (59.3 percent) and 154 respondents are female legal practitioners (40.7 percent).

About 204 (54 percent) of the sample are aged below 41 years old and 174 (46 percent) aged more than 41 years old. The youngest respondent is at the age of 24 years old and the oldest respondent is at the age of 70 years old. As shown in Table 4.1, the majority of the respondents possesses the university's LL.B degree (78.8 percent) which is the basic degree in order to be admitted as a legal practitioner in Malaysia. Meanwhile 80 respondents (21.2 percent) have both LL.B and Master's degree. It is worth to note that no respondents participated in the survey has PhD degree or equivalent. Most of these legal practitioners are partners in legal firm (71.4 percent) and 108 (28.6 percent) as legal assistants.

The average years of working experience as legal practitioners among the respondents surveyed is 14.33 years. The minimum working years' experience of the respondents is one (1) year whereby the maximum working respondents is 43 years. Most of the respondents' firms have been set up with the average years of 16.34 years, with the minimum set up of one year and the longest set up firm is 50 years. Most of these firms surveyed are partnership firm (71.2 percent) and only 28.8 percent are sole proprietor firms.

The profiles of the legal firms' are provided in Table 4.1. In terms of the area of practices, about 69 percent or 261 of the respondents are involved in litigation, which is the highest compared to conveyancing (24.1 percent), corporate area of practices (1.6 percent), banking area of practices (1.3 percent), criminal area of practices (2.1 percent) and in intellectual property area of practices (1.9 percent) respectively.

Table 4.1 Demographic Characteristics of the Sample

Variable	Category	Frequency	Percent	Min Max	Mean (SD)
		No	%		
Location	Penang	73	19.3		
	Selangor	97	25.7		
	Federal Territory of Kuala Lumpur	146	38.6		
	Johor	62	16.4		
Ethnicity	Malay	200	52.9		
	Chinese	116	30.7		
	Indian	62	16.4		
Gender	Female	154	40.7		
	Male	224	59.3		
Age	Below 41 years old	204	54		
	More than 41 years old	174	46		
Position	Partner	270	71.4		
	Legal Assistant	108	28.6		
Education	LL.B	298	78.8		
	Master	80	21.2		
Entity	Sole Proprietor	109	28.8		
	Partnership	269	71.2		
Area of Practice	Conveyancing	91	24.1		
	Litigation	261	69		
	Corporate	6	1.6		
	Banking	5	1.3		
	Criminal	8	2.1		
	Intellectual Property	7	1.9		
Years in Legal				1 year 43 years	14.33 (7.41)
Firm Years				1 years 50 years	16.34 (10.00)

4.3 Factor Analysis of Key Variables

The exploratory factor analysis (EFA) was performed to examine the underlying factor structures of items developed to measure perceive corruption practices, NIP, e-Government and legal framework. Initially, the factorability of the 28 items in the questionnaire was examined. The Kaiser-Meyer-Olkin measure of sampling adequacy (see table 4.2) was .94, above the commonly recommended value of .6, and Bartlett's test of sphericity was significant ($\chi^2 (378) = 9019.227, p < .05$). The diagonals of the anti-image correlation matrix were also all over .5. Finally, the communalities were all above .3 (refer to Appendix 3), further confirming that each item shared some common variance with other items. Given these overall indicators, factor analysis was deemed to be suitable with all 28 items.

Table 4.2 KMO and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.941
Approx. Chi-Square	9019.227
Bartlett's Test of Sphericity	
df	378
Sig.	.000

Principal components analysis was used because the primary purpose was to identify and compute composite scores for the factors underlying the construct measured. Initial eigen values indicated that the first four factors explained 22.3 percent, 20.4 percent, 15.7 percent and 13.4 percent of the variance respectively with total variance explained of 71.73 percent. The fifth and sixth factors onwards had eigen values below one and not considered to form the underlying factors for the construct. A principal components factor analysis of the 28 items, using varimax rotations, was conducted, with four factors extracted. All item was considered in the study as these items having factor loading of .50 or above (Hair et al., 2007). As such, all items are retained for subsequent analysis.

The factor labels proposed suited the extracted factors and were retained. Internal consistency for each of the scales was examined using Cronbach's alpha. The alphas were good ranges from .905 for Corruption Practices (7 items), .855 for NIP (7 items), .850 for e-Government (7 items) and .923 for legal framework (7 items) as shown in Table 4.3. Composite scores were created for each of the four factors and used for subsequent analysis related to each research questions advanced in Chapter 1.

Table 4.3 Results of Factor Analysis

Factor Label		Factor Loading	Reliability
Corruption Practices	CORP2	0.82	0.905
	CORP4	0.82	
	CORP3	0.80	
	CORP5	0.77	
	CORP1	0.74	
	CORP7	0.61	
	CORP6	0.52	
Legal Framework	LEG3	0.84	0.923
	LEG1	0.79	
	LEG6	0.76	
	LEG5	0.75	
	LEG4	0.74	
	LEG7	0.71	
	LEG2	0.63	
National Integrity Policy	NIP1	0.80	0.855
	NIP7	0.79	
	NIP4	0.75	
	NIP3	0.75	
	NIP6	0.64	
	NIP2	0.59	
	NIP5	0.57	
E-Government	EGOV6	0.82	0.85
	EGOV5	0.82	
	EGOV7	0.82	
	EGOV4	0.77	
	EGOV1	0.60	
	EGOV3	0.52	
	EGOV2	0.52	

4.4 Profiles of Main Variables based on Selected Demographic Variables

There are four main variables undertaken in this study namely, perceived corruption practices, NIP, e-Government and legal framework. These variables are measured using a questionnaire and the raw scores as well as the average scale scores are calculated. These four main variables are compared across groups which are based on selected demographic variables, namely location, ethnicity, gender, age groups, position, and education levels. Data was analysed using IBM SPSS Statistics V22.0 to estimate the mean and standard deviations for each main variables and illustrates with graph using Microsoft Excel. To assist the interpretation, the range of mean values is divided into three categories as shown in Figure 4.1. The mean values below 4 is interpreted that respondents are inclined towards disagree to aspects examined, 4 is neither agree nor disagree (or neutral and if the mean values is more than 4 is regarded as towards agree on aspects that are measured.

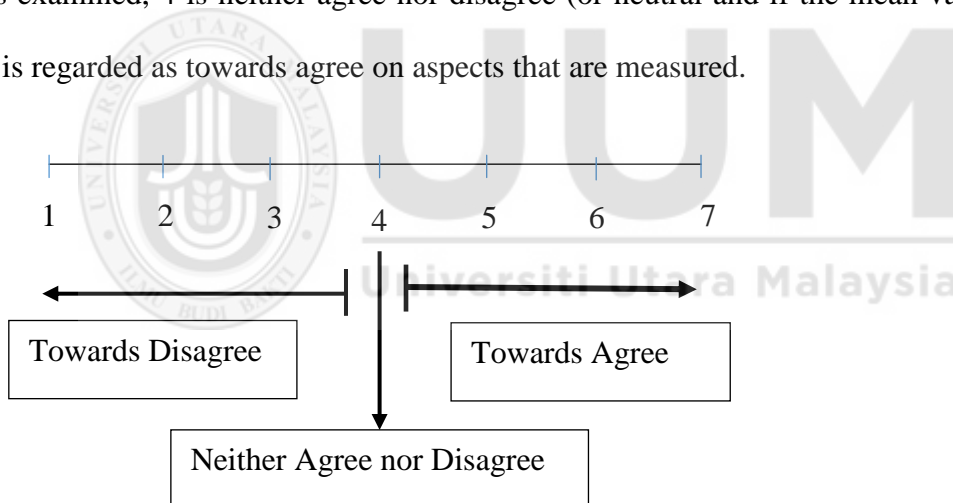


Figure 4.1 *Interpretation of Mean Values*

4.4.1 Main Variables and Ethnicity

The descriptive statistics are used in this section to provide information about the characteristics and the patterns of legal practitioners' responses on the main variables undertaken in this study, namely the perceived corruption practices, NIP, e-Government and legal framework. The purpose is to describe the pattern of legal practitioners' perception on the main variables and using this information, the similarities and differences between Malay, Chinese and Indian sample are investigated and identified.

In order to achieve this purpose, the means (Y axis) and standard deviations for each main variable was calculated using IBM SPSS Statistics V22.0 and the results are shown in Table 4.4 and illustrated by Figure 4.2.

Table 4.4 Profiles of Main Variables across Ethnicity

	Malay		Chinese		Indian	
	Mean	Std. Deviation	Mean	Std. Deviation	Mean	Std. Deviation
Perceived Corruption Practices	3.01	1.14	2.67	1.20	2.53	1.20
NIP	3.38	1.09	2.92	1.27	2.71	1.36
E-Government	4.45	1.19	4.34	1.08	3.82	1.07
Legal Framework	3.70	1.28	3.17	1.56	3.12	1.26

Table 4.4 and Figure 4.2 depict the seriousness of the Governments in combating corruption practices in Malaysia context is highly perceived by Malay legal practitioners ($M=3.01$; $sd=1.14$) compared to Chinese ($M=2.67$; $sd=1.20$) and Indian ($M=2.53$; $sd=1.20$). However, the group mean scores indicate that the legal practitioners from these ethnic groups disagree that those practices and initiatives are well implemented by Malaysia Government especially as perceived by the Indian and Chinese in combating corruption.

Meanwhile, the effort by the Government in introducing the NIP is not perceived positively by the legal practitioners across these three ethnic groups. The Indian ($M= 2.71$; $sd= 1.36$) and Chinese ($M= 2.92$; $sd= 1.27$) are two ethnic groups that mostly disagree that NIP introduced by Government is effective in combating corruption. Even though the Malays' legal practitioners scored higher ($M= 3.38$; $sd= 1.09$) within this aspect compared to Chinese and Indian, these three ethnic groups seem not really happy or satisfied with NIP in combating corruption practices.

With regards to the implementation of e-Government initiative, the Malays ($M= 4.45$; $sd= 1.19$) and Chinese ($M= 4.34$; $sd= 1.08$) legal practitioners seem to be almost likely agree the benefit of this initiative. However, the views on this initiative is a bit lower for Indian legal practitioners ($M= 3.82$; $sd= 1.07$).

In perceiving quality of legal framework in Malaysia in combating corruption practices, the result is shown in Table 4.4 and Figure 4.2. The results show that disagreement among legal practitioners that the quality of legal framework in Malaysia is still low in combating corruption by the three ethnic groups (Malay: $M=3.70$; $sd=1.28$); Chinese: $M=3.17$; $sd= 1.56$); Indian: $M=3.12$; $sd=1.26$) with Indian shows the lowest disagreement.

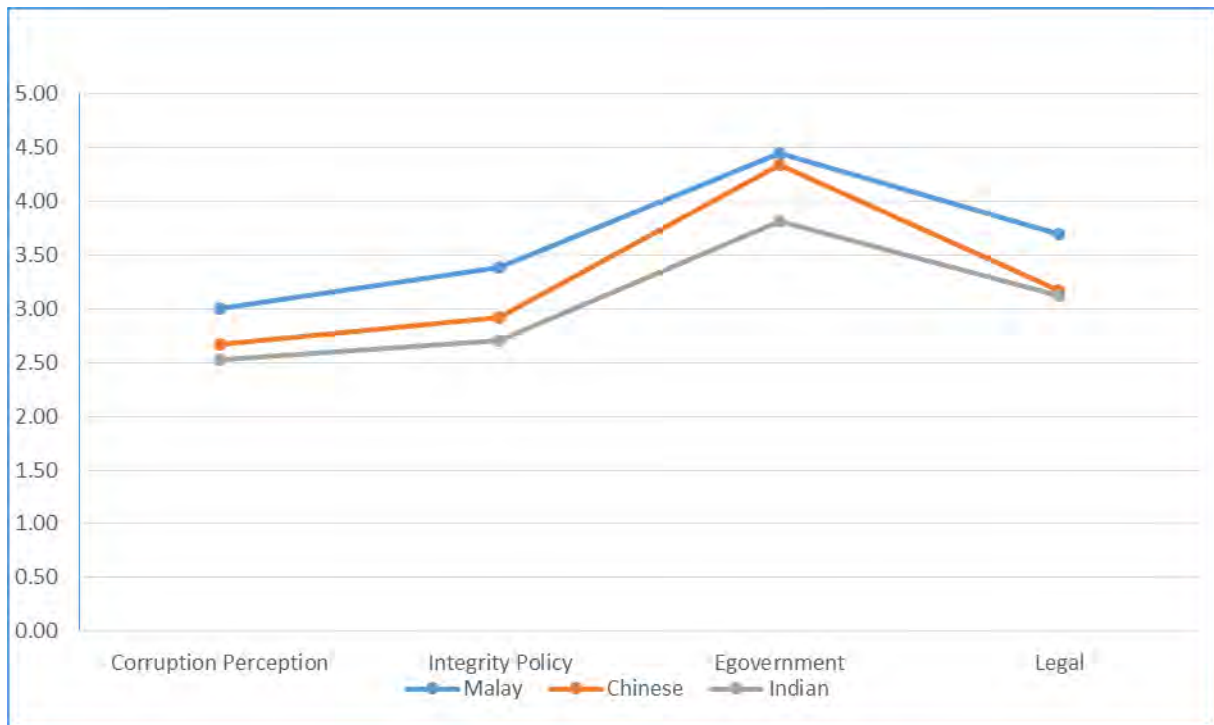


Figure 4.2 Profile of Main Variables Across Ethnic Groups

The analysis by percentages for each category of responses can also provide responses given by the respondents in order to provide more understanding on the quality of Malaysia legal framework as shown in Table 4.5.

Table 4.5 Percentages of Responses Based on the Characteristics of Legal Framework (Overall)

	Comprehensive		Relevant		Sufficient		Efficiency		Fair		Updated		Ability	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Completely Disagree	62	16.4	38	10.1	77	20.4	77	20.4	66	17.5	51	13.5	91	24.1
Strongly Disagree	54	14.3	46	12.2	62	16.4	64	16.9	62	16.4	57	15.1	74	19.6
Disagree	73	19.3	35	9.3	94	24.9	58	15.3	69	18.3	101	26.7	81	21.4
Neutral	59	15.6	62	16.4	43	11.4	60	15.9	73	19.3	67	17.7	43	11.4
Agree	84	22.2	108	28.6	61	16.1	80	21.2	70	18.5	68	18.0	48	12.7
Strongly Agree	35	9.30	63	16.70	31	8.20	30	7.9	30	7.90	22	5.80	31	8.20
Completely Agree	11	2.90	26	6.90	10	2.60	9	2.4	8	2.10	12	3.20	10	2.60

As shown in Table 4.5, more than 50 percent of respondents disagree on characteristics of legal framework in combating corruption practices. About 50 percent of

legal practitioners disagree on the comprehensive of legal framework in combating corruption, 31 percent disagree on the relevant of legal framework in combating corruption, 60 percent said it is sufficient, and 51 percent regarded it as fair. About 54 percent disagree that the current available legal framework is updated and more than 64 percent disagree with the ability of current legal framework in combating corruption.

Meanwhile, Table 4.6 illustrate the percentages of responses by the legal practitioners on their perception regarded to several aspects measured about NIP. As shown in Table 4.6, almost 50 percent of respondents disagree that NIP is a good initiative to combat corruption, 63 percent disagree that NIP is implemented efficiently, 51 percent indicated they are disagree that NIP is design efficiently, 36 percent disagree about the relevancy of NIP, 58 percent disagree that NIP will improve transparency and 60 percent disagree that NIP is very comprehensive to combat corruption and 78 percent disagree whether NIP need improvement. Only 39 percent of legal practitioners' surveyed agree that NIP is a good initiative to combat corruption, about 13 percent believed it was implemented efficiently, 27 percent agree that NIP is efficiently design to combat corruption. 17 percent indicates that NIP is relevant, 15 percent agree that NIP improves transparency, 16 percent agree that NIP is comprehensive and only 6 percent indicates that NIP need improvement.

Table 4.6 Percentages of Responses Based on the National Integrity Policy (Overall)

	Good		Implemented		Efficiently		Relevant		Improve		Comprehensive		Need	
	Initiative		efficiently		Design				Transparency				Improvement	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
1 Completely Disagree	60	15.9	94	24.9	71	18.8	55	15	105	27.8	77	20.4	175	46.3
2 Strongly Disagree	41	10.8	73	19.3	58	15.3	39	10	65	17.2	58	15.3	90	23.8
3 Disagree	48	12.7	89	23.5	71	18.8	42	11	56	14.8	95	25.1	67	17.7
4 Neutral	77	20.4	71	18.8	72	19	86	23	85	22.5	86	22.8	20	5.3
5 Agree	102	27	36	9.5	69	18.3	86	23	49	13	44	11.6	7	1.9
6 Strongly Agree	33	8.7	13	3.4	28	7.4	37	9.8	13	3.4	15	4	9	2.4
7 Completely Agree	17	4.5	2	0.5	9	2.4	33	8.7	5	1.3	3	0.8	10	2.6

Meanwhile Table 4.7 shows the percentages of respondent agree or disagree and neutral on several aspects measured in e-Government. About 35 percent of the respondents surveyed agree that e-Government is design efficiently, however about 19 percent agree that e-Government has achieve its objectives. Only 20 percent of the respondents agree that e-Government was implemented efficiently, 52 percent agree it is relevant in combating corruption, and suggest for other institution to adopt e-Government (73 percent agree and 16 percent disagree). E-Government is believed to lesser the human discretion (59 percent agree and 23 percent disagree) but about 78 percent agree and only 6 percent disagree that e-Government initiative to combat corruption need improvement in its implementation.



Table 4.7 Percentages of Responses Based on the e-Government (Overall)

	Design		Achieve		Implement		Relevant		Requires		lesser human		requires	
	Efficiency		Objectives		Efficiently				Adoption		discretion		improvement	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Completely Disagree	53	14	76	20.1	76	20.1	31	8.2	19	5	23	6.1	2	0.5
Strongly Disagree	41	10.8	66	17.5	77	20.4	30	7.9	21	5.6	16	4.2	15	4
Disagree	58	15.3	87	23	71	18.8	43	11.4	19	5	49	13	7	1.9
Neutral	90	23.8	78	20.6	75	19.8	71	18.8	36	9.5	65	17.2	21	5.6
Agree	85	22.5	46	12.2	58	15.3	101	26.7	85	22.5	106	28	65	17.2
Strongly Agree	31	8.2	16	4.2	12	3.2	57	15.1	97	25.7	70	18.5	100	26.5
Completely Agree	20	5.3	9	2.4	9	2.4	45	11.9	101	26.7	49	13	167	44.3

Table 4.8 indicates the percentages of legal practitioners' responses based on the aspects measured in the corruption practices. About 80 percent disagree that the Government practices in combating corruption had reduced the corruption cases within 3 years. In addition, 75 percent disagree that Government has done their best commitment to fight corruption. About 78 percent disagree that Government is sincere in combating corruption and most of the respondents disagree that anti-corruption programs launched by the Government (78 percent) and NGOs (52 percent) are really effective in combating corruption. However, about 30 percent disagree (47 percent agree) that NGOs are committed to fight corruption as enunciated in Table 4.8.



Table 4.8 Percentages of Responses Based on Combating Corruption Practices (Overall)

	Reduction of Corruption Cases		Commitment		Doing its Best		Sincerity		Anti- corruption Program Effective		NGOs Commitment		NGOs Program Effective	
	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Completely Disagree	146	38.6	127	33.6	130	34.4	152	40.2	117	31	25	6.6	47	12.4
Strongly Disagree	81	21.4	93	24.6	81	21.4	74	19.6	107	28.3	38	10.1	48	12.7
Disagree	81	21.4	73	19.3	79	20.9	72	19	78	20.6	52	13.8	103	27.2
Neutral	35	9.3	28	7.4	42	11.1	30	7.9	36	9.5	78	20.6	108	28.6
Agree	22	5.8	37	9.8	28	7.4	31	8.2	28	7.4	109	28.8	53	14
Strongly Agree	11	2.9	17	4.5	15	4	16	4.2	9	2.4	48	12.7	15	4
Completely Agree	2	0.5	3	0.8	3	0.8	3	0.8	3	0.8	28	7.4	4	1.1

Table 4.9 *Quality of Legal Framework as Perceived by Legal Practitioners (by Ethnic Groups)*

			Comprehensive		Relevant		Sufficient		Efficiency		Fair		Updated		Ability	
			DA	A	DA	A	DA	A	DA	A	DA	A	DA	A	DA	Agree
Ethnicity	Malay	Count	84	74	52	112	116	50	85	72	83	59	90	62	116	51
		% within Ethnicity	42.0	37.0	26.0	56.0	58.0	25.0	42.5	36.0	41.5	29.5	45.0	31.0	58.0	25.5
	Chinese	Count	66	37	48	50	79	32	74	33	74	31	80	28	84	27
		% within Ethnicity	56.9	31.90	41.4	43.1	68.1	27.6	63.8	28.4	63.8	26.7	69.0	24.1	72.4	23.3
	Indian	Count	39	19	19	35	38	20	40	14	40	18	39	12	46	11
		% within Ethnicity	62.90	30.6	30.6	56.5	61.3	32.3	64.5	22.6	64.5	29.0	62.9	19.4	74.2	17.7
Total		Count	189	130	119	197	233	102	199	119	197	108	209	102	246	89
		% within Ethnicity	50.00	34.40	31.5	52.1	61.6	27.0	52.6	31.5	52.1	28.6	55.3	27.0	65.1	23.5

As shown in Table 4.9, except for relevant legal framework in combating corruption, other characteristics of legal framework are perceived negatively (in other word, disagree) in combating framework. The Indian and Chinese legal practitioners seem to view these characteristics more negative (disagree) from the Malay counterparts.

4.4.2 Main Variables and Gender

Table 4.10 and Figure 4.3 illustrate the profile of legal practitioners on main variables based on gender. As shown in Table 4.10, even though both groups seem not agree and confident on Government practices in combating corruption, male legal practitioners ($M=2.97$; $sd=1.17$) seems to have more positive perception compared to female practitioners ($M=2.62$; $sd=1.18$).

Table 4.10 *Main Variables by Gender*

	Female		Male	
	Mean	sd	Mean	sd
Corruption Practices	2.62	1.18	2.97	1.17
NIP	2.91	1.16	3.28	1.25
E-Government	4.03	1.20	4.50	1.09
Legal Framework	3.08	1.26	3.69	1.42

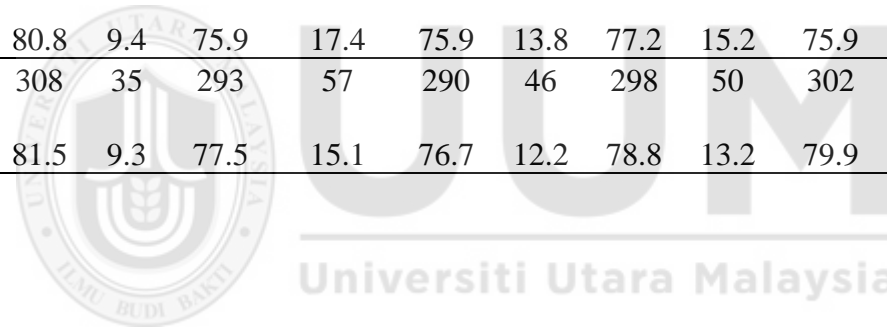


Figure 4.3 *Main Variables Across Gender*



Table 4.11 Corruption Practices as Perceived by Gender (n=378)

			Reduction		Commitment		Doing the best		Sincerity		Effective		NGOs commitment		NGO and Anti-Corruption	
			DA	A	DA	A	DA	A	DA	A	DA	A	DA	A	DA	A
Gender	Female	Count	127	14	123	18	120	15	125	16	132	13	63	62	92	18
		% within Gender	82.5	9.1	79.9	11.7	77.9	9.70	81.2	10.4	85.7	8.4	40.9	40.3	59.7	11.7
	Male	Count	181	21	170	39	170	31	173	34	170	27	52	123	106	54
		% within Gender	80.8	9.4	75.9	17.4	75.9	13.8	77.2	15.2	75.9	12.1	23.2	54.9	47.3	24.1
Total		Count	308	35	293	57	290	46	298	50	302	40	115	185	198	72
		% within Gender	81.5	9.3	77.5	15.1	76.7	12.2	78.8	13.2	79.9	10.6	30.4	48.9	52.4	19.0



As shown in Table 4.11, most of the female and male legal practitioners (more than 80 percent) disagree the corruption practices in Malaysia is reduced for the last three (3) years i.e. since 2012. More than 75 percent of female and male legal practitioners question about the Government commitment and sincerity as well as in doing their best to fight corruption. For these two groups, only 40.3 percent of female and 54.9 percent of male legal practitioners agree that NGOs are committed in fighting corruption. However, only 11 percent of female and 24 percent of male legal practitioners agree that programmes to fight corruption initiate by the NGOs are effective.

Table 4.11 also indicates that the NIP is not well implemented by the Government (female: $M=2.91$; $sd=1.16$; Male: $M=3.28$; $sd=1.25$). However, the e-Government initiative seems to be perceived well by male legal practitioners ($M=4.50$; $sd= 1.09$) compared to female legal practitioner ($M=4.03$; $sd=1.20$). Regarding the quality of legal framework in combating corruption, in average, the male legal practitioners ($M=3.69$; $sd=1.42$) seem to perceive it higher than female counterpart ($M=3.08$; $sd=1.26$). However, in average, both groups still seeing the existing legal framework not really workable.

4.4.3 Main Variables and Age Groups

Table 4.12 and Figure 4.4 show the profile of two groups of legal practitioners based on age groups (below 41 years old and more than 41 years old). The two groups are formed and divided based on the average age of the respondents. The same pattern can be seen from these Table 4.12 and Figure 4.4, that both groups do not agree on the effectiveness and implementation of the NIP and legal framework variables in stamping out corruption practices (Age below 41: $M=2.78$; $sd=1.10$; More than 41yrs: $M=2.88$; $sd=1,27$), NIP (Age below 41: $M=3.14$; $sd=1.16$; More than 41yrs: $M=3.12$; $sd=1.30$) not really satisfied with

legal framework (Age below 41: M=3.34;sd=1.28; More than 41yrs: M=3.57; sd=1.51).

However, both groups seem agree that the initiative of e-Government is a good efforts by the Government to fight corruption.

Table 4.12 Main Variables by Age

	Below 41 years		More than 41 years	
	Mean	SD	Mean	SD
Corruption Practices	2.78	1.10	2.88	1.27
Integrity Policy	3.14	1.16	3.12	1.30
E-Government	4.14	1.20	4.51	1.07
Legal Framework	3.34	1.28	3.57	1.51

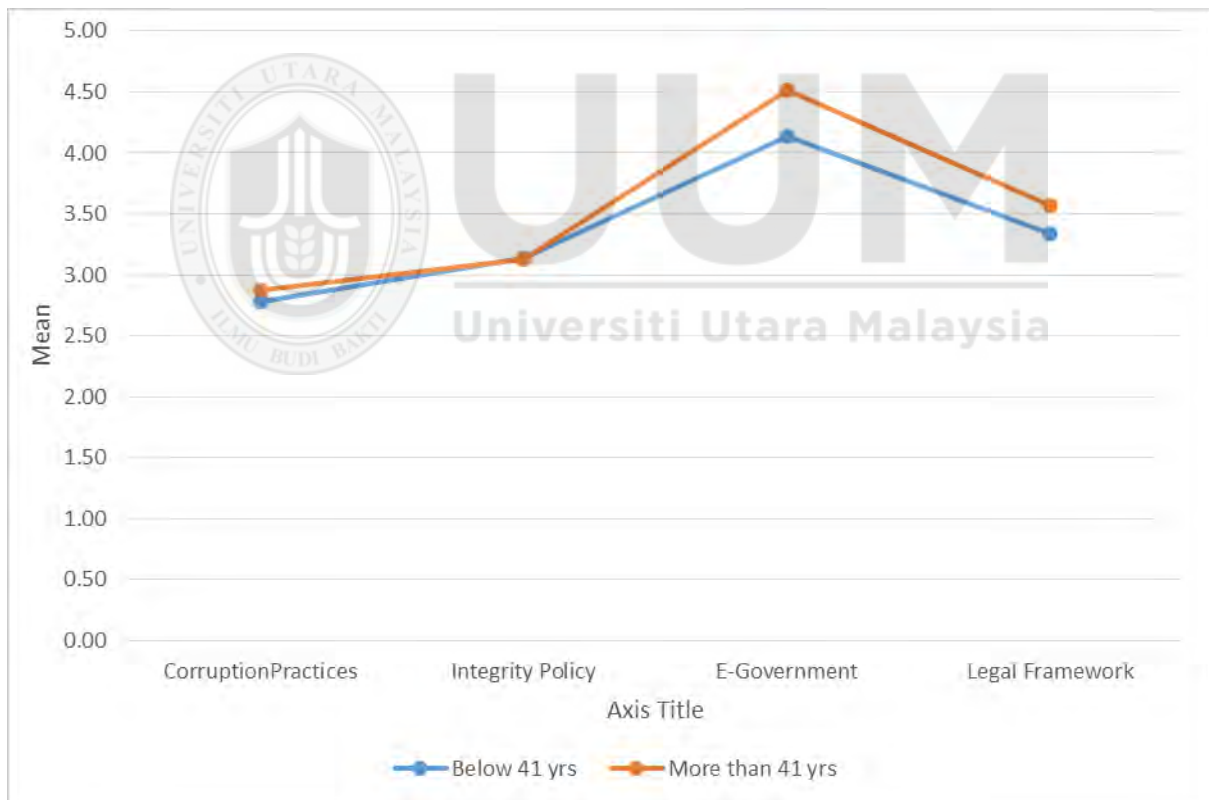


Figure 4.4 Main Variables Across Age

Meanwhile, Table 4.13 focusing on corruption practices implementation, a dependent variable in this study as perceived by the legal practitioners from both age groups. Both

groups are hardly believed commitment (about 77 percent) and sincerity (78 percent) of the Government initiatives in fighting corruption (where the younger groups seem less agree than older groups), as well as disagree that Government has done their best in fighting corruption (overall 76 percent). As stated above, it is worth to reiterate that both groups of legal practitioners disagree about the reduction of corruption cases in Malaysia in the past three (3) years (since 2012).

Moreover, 81 percent of the younger legal practitioners and 78 percent of older legal practitioner hardly agree on the implementation of Government in combating corruption. Only 40 percent of both groups agreed on the commitment and programmes of NGOs in fighting corruption.



Table 4.13 Corruption Practices as Perceived by Legal Practitioners based on Age Groups

Age Group			Reduction		Commitment		Doing the best		Sincerity		Effective		NGOs commitment		Anti-Corruption	
			DA	A	DA	A	DA	A	DA	A	DA	A	DA	A	DA	A
Age Group	below 41 years old	Count	166	19	165	24	161	18	166	21	166	19	67	84	108	32
		% within Age_rec	81.4	9.30	80.9	11.8	78.9	8.80	81.4	10.3	81.4	9.30	32.8	41.2	52.9	15.7
	more than 41 years old	Count	142	16	128	33	129	28	132	29	136	21	48	101	90	40
		% within Age_rec	81.6	9.20	73.6	19.0	74.1	16.1	75.9	16.7	78.2	12.1	27.6	58.0	51.7	23.0
Total		Count	308	35	293	57	290	46	298	50	302	40	115	185	198	72
		% within Age_rec	81.5	9.3	77.5	15.1	76.7	12.2	78.8	13.2	79.9	10.6	30.4	48.9	52.4	19.0

4.4.4 Main Variable and Position

The legal practitioners are divided into two categories based on their positions in their respective legal firms, namely Partner and Legal Assistants. The perception of these two groups on the main variables of the study is shown in Table 4.14 and Figure 4.5.

Table 4.14 Main Variables and Position

	Partners		Legal Assistants	
	Mean	SD	Mean	SD
Corruption Practices	2.91	1.20	2.61	1.12
NIP	3.17	1.22	3.03	1.24
e-Government	4.47	1.06	3.91	1.29
Legal Framework	3.54	1.41	3.20	1.32

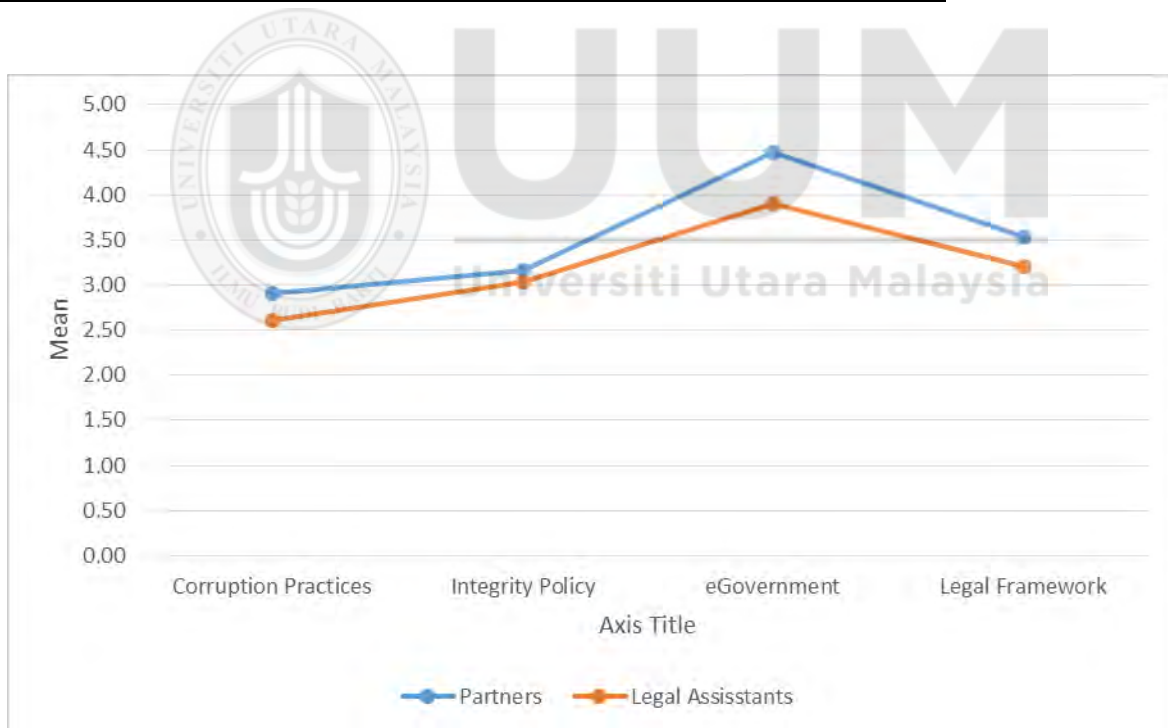


Figure 4.5 Main Variables across Position in Legal Firms

Table 4.15 and Figure 4.5 shows the profile of two groups of legal practitioners based on their position in legal firms, either as a partner or legal assistants. The same pattern can be

seen from these table and figure as in previous output of the analysis where both groups seems to be not agree on the implementation of corruption practices by the Government (Partners: $M=2.91$; $SD=1.20$; Legal Assistant: $M=2.61$; $SD=1.12$), NIP (Partners: $M=3.17$; $SD=1.22$; Legal Assistant: $M=3.03$; $SD=1.24$) and not really satisfied with legal framework in combating corruption (Partners: $M=3.54$; $SD=1.41$; Legal Assistant: $M=3.20$; $SD=1.32$). However, the initiative of e-Government is regarded as good initiative for the Government to fight corruption (Partners: $M=4.47$; $SD=1.41$) but not for Legal Assistant ($M=3.20$; $SD=1.32$).



Table 4.15 Corruption Practices as Perceived by Legal Practitioners based on Position in Legal Firms

			Reduction		Commitment		Doing the best		Sincerity		Effective		NGOs commitment		Anti-Corruption	
			DA	A	DA	A	DA	A	DA	A	DA	A	DA	A	DA	A
Position	Partner	Count	221	27	199	47	202	39	203	43	207	32	72	138	133	55
		% within Position	81.9	10.0	73.7	17.4	74.8	14.4	75.2	15.9	76.7	11.9	26.7	51.1	49.3	20.4
	Legal Assistant	Count	87	8	94	10	88	7	95	7	95	8	43	47	65	17
		% within Position	80.6	7.47	87.0	9.3	81.5	6.5	88.0	6.5	88.0	7.4	39.8	43.5	60.2	15.7
Total		Count	308	35	293	57	290	46	298	50	302	40	115	185	198	72
		% within Position	81.5	9.3	77.5	15.1	76.7	12.2	78.8	13.2	79.9	10.6	30.4	48.9	52.4	19.0

Based on Table 4.15, about 80 percent of the Legal Assistant and 81 percent of Partners indicate that they disagree on the reduction of corruption since 2012, Government commitment and sincerity in fighting corruption as well as views the Government did not do their best in combating corruption. However, with regards to NGOs commitment in fighting corruption, more than 43 percent of Legal Assistant and 50 percent of Partners agree about the commitment of these groups in fighting corruption. However, these groups still sceptical in programmes initiate by NGOs in fighting corruption as only 15 percent of Legal Assistant and 20 percent of Partners agrees of the statement regarding on NGOs initiative.

4.4.5 Main Variable and Education Level

The legal practitioners are divided into two categories of education level, namely 1) LL.B and 2) LL.B with Master Degree. The perception of these two groups on the main variables of the study is shown in Table 4.16 and Figure 4.6.

Table 4.16 Main Variables According to Education Levels

	LL.B		LL.B+Master	
	Mean	SD	Mean	SD
Corruption Practices	2.86	1.22	2.72	1.04
NIP	3.14	1.25	3.10	1.15
E-Government	4.29	1.16	4.40	1.15
Legal Framework	3.44	1.43	3.47	1.26

Table 4.16 and Figure 4.6 shows the profile of two groups of legal practitioners based on their education levels, either with LL.B holders or LL.B and Master Degree holders. The same pattern can be seen from these table and figure as in previous output of the analysis where both groups seems to be not agree on the effectiveness of the implementation of corruption practices by the Government (LL.B: M=2.86;SD =1.22; LL.B+Master: M=2.72;

SD=1.04), NIP (LL.B: M=3.14;SD =1.25; LL.B+Master: M=3.10; SD=1.15), and not really satisfied with legal framework in combating corruption (LL.B: M=3.44;SD =1.43; LL.B+Master: M=3.47; SD=1.26),. However, both groups seem to be agree that the initiative of e-Government is a good idea from the Government to fight corruption (LL.B: M=4.29; SD =1.16) but not for Legal Assistant (LL.B: M=4.40; SD =1.26). As illustrated in Figure 4.6, the perception of both groups seem to be almost likely similar on the main variables undertaken in the study.

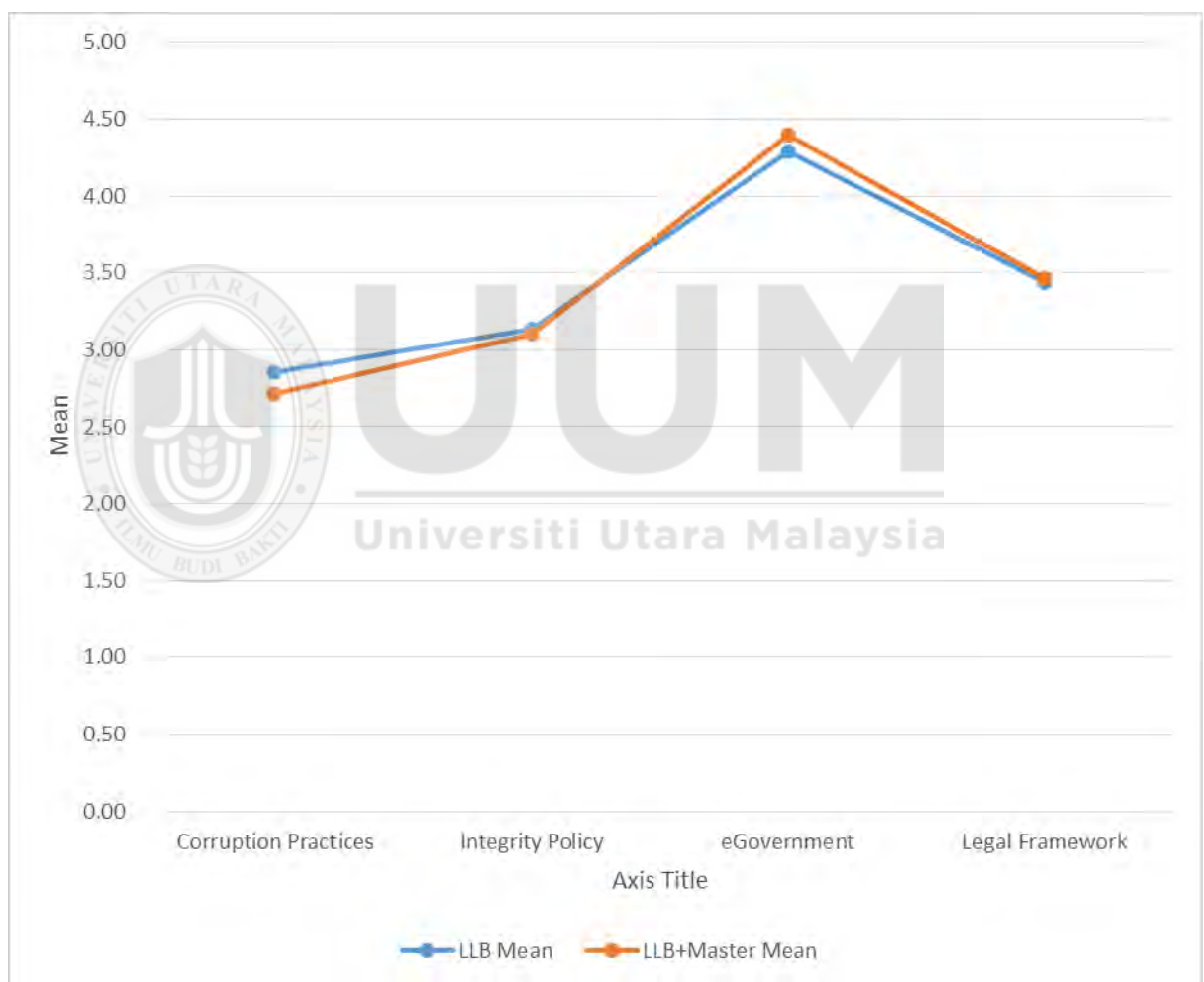


Figure 4.6 Main Variables Across Education Levels

Based on Table 4.17, about more than 80 percent of the legal practitioners with LL.B and Master Degree and 75 percent of legal practitioners holding LL.B alone indicated that they are more towards disagree on the reduction of corruption since 2012, Government commitment and sincerity in fighting corruption as well as views the Government did not do their best in combating corruption. However, with regards to NGOs commitment in fighting corruption, more than 45 percent of the LL.B and Master Degree and 50 percent of legal practitioners with LL.B holder agree about the commitment of these groups in fighting corruption. However, about of 50 percent of these groups perceived that the NGOs not really effectives in initiating programme to combat corruption.



Table 4.17 Corruption Practices as Perceived by Legal Practitioners based on Education Levels

			Reduction		Commitment		Doing the best		Sincerity		Effective		NGOs Commitment		Anti-Corruption	
			DA	A	DA	A	DA	A	DA	A	DA	A	DA	A	DA	A
Education	LL.B	Count	241	31	223	52	222	41	226	45	235	34	81	149	153	56
		% within Education	80.9	10.4	74.8	17.4	74.5	13.8	75.8	15.1	78.9	11.4	27.2	50.0	51.3	18.8
	LL.B+Master	Count	67	4	70	5	68	5	72	5	67	6	34	36	45	16
		% within Education	83.8	5.0	87.5	6.2	85.0	6.20	90.0	6.2	83.8	7.5	42.5	45.0	56.2	20.0
Total		Count	308	35	293	57	290	46	298	50	302	40	115	185	198	72
		% within Education	81.5	9.3	77.5	15.1	76.7	12.2	78.8	13.2	79.9	10.6	30.4	48.9	52.4	19.0

4.4.6 Main Variable and Legal Experience

Table 4.18 and Figure 4.7 show the profile of two groups of legal practitioners based on their level of experience. The two groups are formed by divided the group based on the average of years they have served as Legal Practitioners. The first group are names as less experience (the score less than the overall experience average of 14.3, and the second group is named as more experience (score more than overall experience average of 14.3).

Table 4.18 Main Variables According to Experience

	Less Experience		More Experience	
	Mean	SD	Mean	SD
Corruption Practices	2.79	1.16	2.85	1.20
NIP	3.13	1.16	3.13	1.27
E-Government	4.07	1.14	4.48	1.15
Legal Framework	3.29	1.26	3.55	1.48

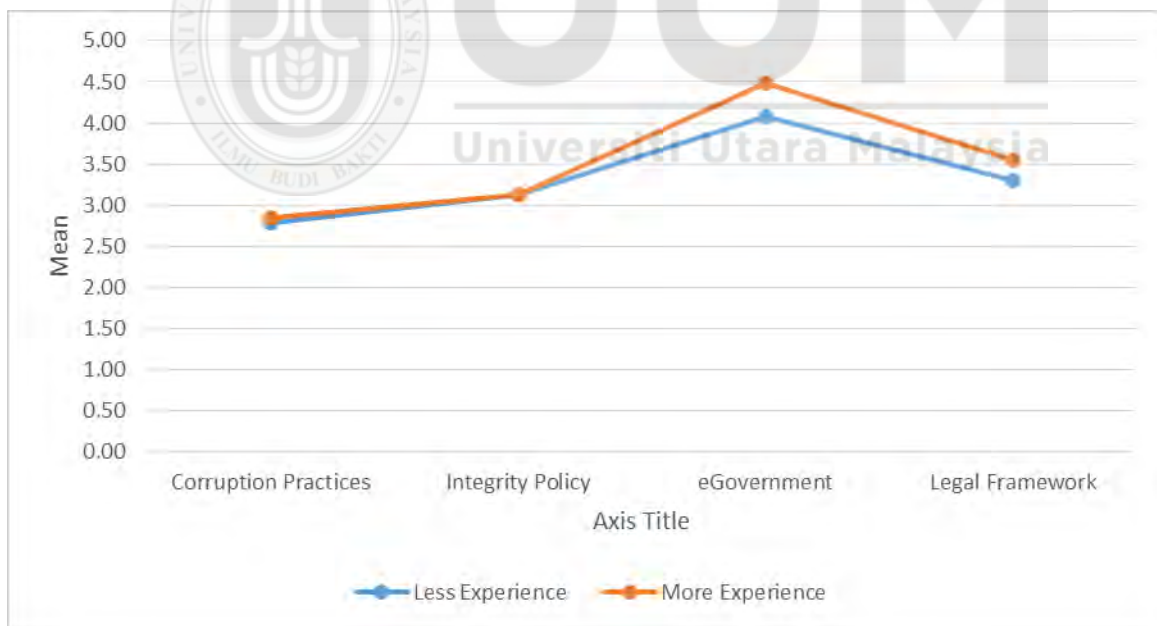


Figure 4.7 Main Variables Across Experience Levels

Both groups seems to be not agree on the effectiveness of the implementation of corruption practices by the Government (Less Experience: $M=2.79;SD =1.16$; More

Experience: $M=2.85$; $SD=1.20$), NIP (Less Experience: $M=3.13$; $SD =1.16$; More Experience: $M=3.13$; $SD=1.27$), and not really satisfied with legal framework in combating corruption ((Less Experience: $M=3.29$; $SD =1.26$; More Experience: $M=3.55$; $SD=1.48$),. However, both groups seem towards agreeing that the initiative of e-Government is a good idea from the Government to fight corruption (Less Experience: $M=4.07$; $SD =1.14$; More Experience: $M=4.48$; $SD =1.15$). As illustrated in Figure 4.7, the perception of both groups seem to be almost likely similar on the main variables undertaken in the study.

4.5 Differences Across on Main Variables

In Section 4.2, the discussion focuses on the profiles of the respondents based on selected and meaningful demographic variables undertaken in this study. The results indicate there are some similarities and differences on the pattern on how the groups of legal practitioners perceive the main variables measured. However, further analysis is needed to confirm these differences. As such, inferential statistical methods were carried out to examine these differences. To fit this purpose, the independent sample t-test and one-way analysis of variance was carried out to test the differences between groups on the main variables. Prior to the analysis, the assumption of normality was conducted and the results indicate that the distribution of these main variables did not violate the assumption of normality. The skewness values (ranges between -0.05 and 0.68) as shown in Table 4.19 are found to be within the acceptable ranges of -1 and +1 (Hair et al (2007)).

Table 4.19 Skewness for Normality Test

	Mean	SD	Skewness	Kurtosis
	Statistic	Statistic	Statistic	Statistic
			Std. Error	Std. Error
Corruption_AVG	2.83	1.18	0.68	0.13
NIPAVG	3.13	1.22	-0.05	0.13
e-GovernmentAVG	4.31	1.16	-0.37	0.13
LegalAVG	3.44	1.39	0.15	0.13

4.5.1 Differences of Main Variables between Age Groups

Independent sample t-test was conducted to test the differences between age groups (less 41 years old and more than 41 years old) and the result is shown in Table 4.20. The results indicates that the assumption of equality of variances of corruption practices and legal framework was violated as the F values of the Levene test was found to be significant (Corruption Practices: $F = 9.664$, $p=0.002$; Legal Framework: $F=6.667$, $p=0.01$). As such, the t values used should be referred to equal variance not assumes. The significant value is $p < .05$.

Table 4.20 indicates that there are no significant differences between age groups on corruption Practices [$t(345.01) = -0.76$, $p=0.44$], NIP [$t(376)=0.09$, $p=0.93$] and legal framework [$t(341.32)=-1.61$, $p=0.11$]. The only significant difference between age groups is found on e-Government [$t(375)= -3.17$, $p=0.001$]

Table 4.20 Independent Sample t-test Across Age Groups

		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference
Corruption Practices	Equal variances assumed	9.664	0.002	-0.77	376	0.44	-0.09	0.12
	Equal variances not assumed			-0.76	345.01	0.45	-0.09	0.12
NIP	Equal variances assumed	2.793	0.096	0.09	376	0.93	0.01	0.13
	Equal variances not assumed			0.09	349.27	0.93	0.01	0.13
E-Government	Equal variances assumed	1.25	0.264	-3.17	375	0.001	-0.38	0.12
	Equal variances not assumed			-3.20	374.42	0.001	-0.38	0.12
Legal Framework	Equal variances assumed	6.667	0.01	-1.63	376	0.10	-0.23	0.14
	Equal variances not assumed			-1.61	341.32	0.11	-0.23	0.15

4.5.2 Differences of Main Variables between Positions in Legal Firm

The results of the independent sample t-test between the Position in legal firms (Partners and Legal Assistant) are shown in table 4.21.

Table 4.21 The Results of Independent Sample t-test between Positions in the Legal Firms

		Levene's Test for Equality of Variances		t-test for Equality of Means			Mean Difference	Std. Error Difference
		F	Sig.	t	df	Sig. (2- tailed)		
Corruption Practices	Equal variances assumed	2.841	0.093	2.25	376	0.025	0.30	0.13
	Equal variances not assumed			2.32	210.67	0.021	0.30	0.13
National Integrity Policy	Equal variances assumed	0.268	0.605	0.98	376	0.329	0.14	0.14
	Equal variances not assumed			0.97	194.759	0.332	0.14	0.14
E-Government	Equal variances assumed	9.758	0.002	4.38	375	0.000	0.57	0.13
	Equal variances not assumed			4.03	165.997	0.000	0.57	0.14
Legal Framework	Equal variances assumed	0.5	0.48	2.12	376	0.034	0.33	0.16
	Equal variances not assumed			2.19	210.326	0.03	0.33	0.15

Table 4.21 indicates that significant differences are found between Partners and Legal Assistant on corruption practices [t (376) = 2.25, p=0.025], legal framework [t (376)= 2.12, p=0.034] and e-Government [t (165.997) = 4.03, p=0.001], . The only not significant difference between positions is found on NIP [t (376)= 0.98, p=0.329].

4.5.3 Differences of Main Variables between Gender (Female and Male)

Table 4.20 shows the results of the independent sample t-test between male and female legal practitioners on four main variables undertaken in the study.

Table 4.22 The Results of Independent Sample t-test between Gender

		Levene's Test for Equality of Variances		t-test for Equality of Means			Mean	Std. Error
		F	Sig.	t	df	Sig. (2- tailed)	Difference	Difference
Corruption_AVG	Equal variances assumed	0.111	0.74	-2.83	376	0.005	-0.35	0.12
	Equal variances not assumed			-				
IntegrityAVG	Equal variances assumed	0	0.992	2.893	376	0.004	-0.37	0.13
	Equal variances not assumed			-				
e-GovernmentAVG	Equal variances assumed	1.798	0.181	3.954	375	0.000	-0.47	0.12
	Equal variances not assumed			-				
LegalAVG	Equal variances assumed	2.587	0.109	4.289	376	0.000	-0.61	0.14
	Equal variances not assumed			-				
				4.384	352.403	0.000	-0.61	0.14

Table 4.22 indicates that significant differences are found between gender on all main variables; Corruption Practices [t (376) = -2.83, p=0.005], NIP [t (376)= 2.893, p=0.004] Legal Framework [t (376)= 4.289, p=0.001] and e-Government [t (375) = 3.954, p=0.001].

4.5.4 Differences of Main Variables between Education Levels

The results of the independent sample t-test between the education levels groups (LL.B and LL.B + Master Degree) are shown in Table 4.23. Table 4.23 indicates that no significant differences are found between two groups of education levels on all main variables; Corruption Practices [t (142.14) = 1.008, p=0.315], NIP [t (376)= 0.264, p=0.792].Legal Framework [t (376)= -0.18, p=0.857] and e-Government [t (375) = -0.772, p=0.44].

Table 4.23 *The Results of Independent Sample t-test between Education Level (LL.B and LL.B+Master Degree)*

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference
Corruption Practices	Equal variances assumed	4.218	0.041	0.923	376	0.357	0.14	0.15
	Equal variances not assumed			1.008	142.14	0.315	0.14	0.14
National Integrity Policy	Equal variances assumed	0.629	0.428	0.264	376	0.792	0.04	0.15
	Equal variances not assumed			0.277	133.396	0.782	0.04	0.15
E-Government	Equal variances assumed	0.091	0.763	-0.772	375	0.44	-0.11	0.15
	Equal variances not assumed			-0.778	126.106	0.438	-0.11	0.15
Legal Framework	Equal variances assumed	1.405	0.237	-0.18	376	0.857	-0.03	0.18
	Equal variances not assumed			-0.194	139.078	0.846	-0.03	0.16

4.5.5 Differences of Main Variables between Years in Legal Firms (Experiences)

Table 4.24 shows the results of the independent sample t-test across experience (less experience and more experience) legal practitioners.

Table 4.24 *The Results of Independent Sample t-test between Groups with Different Experience in Legal*

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2- tailed)	Mean Difference	Std. Error Difference
Corruption Practices	Equal variances assumed	1.436	0.232	0.497	376	0.619	-0.06	0.12
	Equal variances not assumed			-0.5	348.088	0.617	-0.06	0.12
Integrity Policy	Equal variances assumed	0.752	0.386	0.047	376	0.962	0.01	0.13
	Equal variances not assumed			0.048	357.754	0.962	0.01	0.13
E-Government	Equal variances assumed	0.156	0.693	3.472	375	0.001	-0.41	0.12
	Equal variances not assumed			3.478	340.588	0.001	-0.41	0.12
Legal Framework	Equal variances assumed	5.788	0.017	1.779	376	0.076	-0.26	0.14
	Equal variances not assumed			1.825	366.375	0.069	-0.26	0.14

Table 4.24 indicates that the only significant differences found between groups of experience is on e-Government [$t(375) = 3.472, p=0.001$]. There is no significant differences found between less experience and more experience legal practitioners on Corruption Practices [$t(376) = 0.497, p=0.619$], legal framework [$t(366.375)= 1.779, p=0.069$] and NIP [$t(376)= 0.047, p=0.962$].

4.5.6 Differences of Main Variables across Ethnic Groups

One-way analysis of variance (ANOVA) was carried out to examine the differences between three Malaysia ethnic groups, namely Malays, Chinese and Indian on these four main variables. The result is showed in Table 4.27. Prior to ANOVA test, the homogeneity of variance test was conducted using Levene test and the results as shown in Table 4.25 indicates the violation to this assumption on the distribution of NIP and legal framework. As such the correction was carried out using Brown-Forsythe as shown in Table 4.26.

Table 4.25 Homogeneity of Variance Test

	Levene Statistic	df1	df2	Sig.
Corruption Practices	0.637	2	375	0.529
NIP	6.373	2	375	0.002
E-Government	0.533	2	374	0.587
Legal Framework	4.139	2	375	0.017

Table 4.26 Robust Tests of Equality of Means

	Statistica	df1	df2	Sig.	
IntegrityAVG	Brown-Forsythe	8.992	2	200.69	0.000
LegalAVG	Brown-Forsythe	7.346	2	252.72	0.001

Table 4.25 shows significant difference was found for all main variables across the three ethnic groups: Corruption Practices [F (2,375) = 5.50, p = 0.004]; NIP [F (2, 200.69), p=0.001]; e-Government [F (2, 374)= 7.323, p=0.001] and Legal Framework [F (2, 252.72) = 7.425, p=0.001].

Table 4.27 Analysis of Variance Across Ethnic Groups

		Sum of Squares	df	Mean Square	F	Sig.
Corruption Practices	Between Groups	15.007	2	7.504	5.5	0.004
	Within Groups	511.65	375	1.364		
	Total	526.657	377			
NIP	Between Groups	29.113	2	14.556	10.187	0.000
	Within Groups	535.869	375	1.429		
	Total	564.982	377			
E-Government	Between Groups	19.05	2	9.525	7.323	0.001
	Within Groups	486.442	374	1.301		
	Total	505.492	376			
Legal Framework	Between Groups	27.849	2	13.924	7.425	0.001
	Within Groups	703.216	375	1.875		
	Total	731.065	377			

Analysis post-hoc was carried out to determine group that shows significant mean difference. Two separate procedures were performed following the homogeneity of variance test results. The Tukey procedure is carried out for corruption practices and e-Government, and Games Howell for NIP and legal framework as these two violate the assumption of homogeneity of variances. Table 4.28 shows the results using Tukey procedures and Table 4.26 shows the results using Games Howell procedure of multiple comparison.

Table 4.28 Multiple Comparison using Tukey

Dependent Variable	(I) Ethnicity	(J) Ethnicity	Mean Difference (I-J)	Std. Error	Sig.
Corruption Initiative Practices	Malay	Chinese	.33616*	0.136	0.037
		Indian	.48323*	0.170	0.013
	Chinese	Malay	-.33616*	0.136	0.037
		Indian	0.14707	0.184	0.703
	Indian	Malay	-.48323*	0.170	0.013
		Chinese	-0.14707	0.184	0.703
E-Government	Malay	Chinese	0.10682	0.133	0.702
		Indian	.63229*	0.166	0.000
	Chinese	Malay	-0.10682	0.133	0.702
		Indian	.52546*	0.179	0.010
	Indian	Malay	-.63229*	0.166	0.000
		Chinese	-.52546*	0.179	0.010

The results indicates that the mean differences are found between Malay and Chinese ($M_{diff} = .336$, $p = 0.037$) and between Malay and Indian ($M_{diff} = .483$; $p = 0.013$). There is no significant differences between Chinese and Indian on the perception of Government initiatives to combat corruption. For e-Government, the mean differences are found between Malay and Indian [$M_{diff} = .632$, $p = 0.001$] and between Chinese and Indian [$M_{diff} = .524$, $p = 0.010$].

Meanwhile, Table 4.29 shows the shows the results using Games Howell procedure of multiple comparisons.

Table 4.29 Multiple Comparisons using Games Howell

Dependent Variable	(I) Ethnicity	(J) Ethnicity	Mean Difference (I-J)	Std. Error	Sig.
National Integrity Policy	Malay	Chinese	.46239*	0.14107	0.003
		Indian	.67850*	0.18961	0.002
	Chinese	Malay	-.46239*	0.14107	0.003
		Indian	0.21611	0.20975	0.559
	Indian	Malay	-.67850*	0.18961	0.002
		Chinese	-0.21611	0.20975	0.559
Legal Framework	Malay	Chinese	.52616*	0.17067	0.007
		Indian	.57415*	0.18435	0.007
	Chinese	Malay	-.52616*	0.17067	0.007
		Indian	0.04799	0.2161	0.973
	Indian	Malay	-.57415*	0.18435	0.007
		Chinese	-0.04799	0.2161	0.973

The results indicates that the mean differences are found between Malay and Chinese ($M_{diff} = .462$, $p = 0.003$) and between Malay and Indian ($M_{diff} = .679$; $p = 0.002$). There is no significant difference between Chinese and Indian on the perception of NIP. For legal framework, the mean differences are found Malay and Chinese ($M_{diff} = .526$, $p = 0.007$) and between Malay and Indian ($M_{diff} = .574$; $p = 0.007$) but not between Chinese and Indian groups.

4.6 Hypotheses Testing Using Multiple Regression Analysis

This section presents the results obtained from the multiple regression analysis carried out to test the possible variables that influence the perception on the implementation of Government initiative to combat corruption. The dependent variable is corruption practices and the independent variables entered to the regression models are NIP, e-Government, legal framework, Age groups (1 = Less than 41 years old; 2 = More than 41 years old, Gender (0 = Female; 1 = Male), Position (0 = Partners; 1 = Legal Assistant), Education Level (0= LL.B; 1 = LL.B + Master), and experience in Legal (1 = Less Experience; 2 more experience). The enter method is used in examining the best predictors for the dependent variables. Table 4.30 provide the result of the multiple regression analysis.

Table 4.30 The Results of the Multiple Regression

	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	0.005	0.155	
NIP	0.367	0.046	0.38**
E-Government	0.156	0.044	0.15**
Legal Framework	0.291	0.038	0.34**

Note: R-squared = .578; R-square adjusted = .574; F (3, 373) = 170.07, p = 0.001
 ** Significant at .05 level

Using the enter method it was found that NIP, e-Government and legal framework explain a significant amount of the variance (57.8 percent) on the perception of the implementation of Government initiative to combat corruption (F (3, 373) = 170.07, p = 0.001, $R^2 = .578$, $R^2_{Adjusted} = .574$). Three variables are found to have positive and significant contribution on the perception of the implementation of Government initiative to combat corruption, namely NIP ($\beta = 0.38$, p = 0.001), e-Government ($\beta = 0.15$, p = 0.001) and legal framework ($\beta = 0.34$, p = 0.001). Others variables entered did not show any significant contribution and was taken out for the final analysis. A summary of the hypotheses testing results is depicted in Table 4.31 below.

Table 4.31 Summary of the Hypothesis Testing

H	Statement of Hypothesis	Beta value (β)	Remark
H1	The implementation of the NIP is positively related to the reduction of corruption practices	$\beta = 0.38^{**}$	Supported
H2	The implementation of e-Government is positively related to the reduction of corruption practices	$\beta = 0.15^{**}$	Supported
H3	The implementation of legal framework is positively related to the reduction of corruption practices	$\beta = 0.34^{**}$	Supported

** Significant at .05 level

The results indicate that the more positive initiative and implementation in all these three variables carried out effective and efficiently, the more positive perception on Government initiative to combat corruption. Among these three predictors, NIP is the strongest predictor, followed by legal framework and e-Government. As these three variables only contribute about 57.7 percent variance on the dependent variable chosen in the study, other possible variables should be considered in future study.

4.7 Conclusion

This chapter has provided a thorough statistical analysis and hypotheses testing for the proposed framework to investigate the corruption practices. The full statistical analysis is appended herewith in Appendix 3. The next chapter will discuss and explain the results of hypotheses testing for this study.



CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Introduction

Chapter five (5) summarises the results, discusses the implication and provides conclusions to the overall findings of the study. It is divided into five sections namely 1) the recapitulation of study; 2) the discussion on the findings; 3) the implications of the study; 4) the limitation of the study; and 5) the suggestion for future research.

5.2 Recapitulation of the Study

As initially stated, the main objective of this study is primarily to examine the implementation undertaken by the Government in fighting corruptions as perceived by the legal practitioners sampled in this study. Specifically, the study intends to test 1) the relationship between the NIP (i.e., in terms of initiative, implementation, design, relevancy, image, comprehensiveness and improvement) and corruption practices; 2) the effects of the implementation of the e-Government (i.e., design, objectives and mission, implementation, relevancy, adoption, human discretion and improvement) and corruption practices; and lastly, 3) the effects of implementation of legal framework (i.e., comprehensiveness, relevancy, sufficient, efficient, fair, updated and ability) and corruption practices.

The hypothesised relationships between the NIP, e-Government, legal framework and corruption practices were tested. The data generated from this study demonstrated the perceptions of corruption practices in Malaysia from the viewpoints of the legal practitioners in Malaysia. As stated at the outset, the study delved into the effects of the initiatives undertaken by the Government in terms of the implementation of the NIP, e-Government and legal framework in fighting corruption. The data generated from this study demonstrated the perceptions of corruption practices in Malaysia from the viewpoints of the legal practitioners in Malaysia. Of 2357 questionnaires sent out via e-Survey, only a total of 378 data were

obtained from the legal practitioners practising in Penang, Selangor, Federal Territory of Kuala Lumpur and Johor, yielding a response rate of 16.03 percent. The data were then analysed using SPSS Statistics Version 22.0. Multiple regression analysis was utilised to test the hypothesised relationships in order to answer the research questions advanced in Chapter 1. Interestingly, the results revealed that the implementation of the NIP, e-Government, and legal framework have significant positive relationships with the perceptions of corruption practices. To simply put, this study found out that in general, the legal practitioners perceived that the better implementation of NIP, e-Government and legal framework, the more chances are that corruption practices can be stamped out. Looking closely into the data, it appears that the legal practitioners perceived that corruption practices in Malaysia is still prevalent hence, the Government are urged to be sincere, transparent and more proactive in implementing and executing the NIP, e-Government and legal framework. The following sections would provide a detailed discussions and conclusion of the relationships found in Chapter 4, and attempt to suggest some areas of future research based on this study.

5.3 Discussion on the Findings

This study attempts to provide answers to the following research questions as enunciated in Chapter 1 earlier:

- 1) What is the current level of corruption practices in Malaysia as perceived by the legal practitioners?
- 2) To what extent does the NIP has an impact on the perception of corruption practices in Malaysia?
- 3) To what extent does the e-Government has an impact on the perception of corruption practices in Malaysia?

- 4) To what extent does the existing legal framework have an impact on the perception of corruption practices in Malaysia?

5.3.1 Discussion of the Current Level of Corruption in Malaysia

This study reaffirmed that corruption practices in Malaysia is high and rampant as the respondents have given negative responses towards the reduction of corruption cases in Malaysia in the past three (3) years (since 2012). This is in line with the recent CPI finding of 2015 (Transparency International, 2016). All the four main variables are compared across groups which are based on selected demographic variables, of location, ethnicity, gender, age groups, position, and education levels indicate that the legal practitioners disagree that those practices and initiatives of the NIP, e-Government and legal framework are well implemented by Malaysia Government. The respondents are in the view that the Government is not committed in fighting corruption, not doing its best in fighting corruption, not sincere in fighting corruption and the Government programmes on anti-corruption are not effective. However, the respondents gave a slightly better view that the NGOs such as Transparency International Malaysia are committed in fighting corruption.

It is important to point out that female legal practitioners seem to have more negative perception in relation to the Government's initiatives in combating corruption, compared to male legal practitioners. This finding impliedly supports the research by Boehm (2015) that women are less corrupt than men.

5.3.2 Discussion of Hypothesis 1: National Integrity Policy and Corruption Practices

This study conjectured that the NIP introduced by the Government in 2004 could assist in curbing corruption practices in Malaysia. This follows the argument by Malunga

(2014) that a comprehensive, well implemented integrity policy is crucial to govern corruption behaviours, thus as one of the effective mechanisms in fighting corruption. As hypothesised, the present study revealed that NIP has a positive direct relationship and relevant with the reduction of corruption practices in Malaysia. This means that the more comprehensive, transparent and effective the NIP, the better chance for the Government to stamp out corruptions practices in Malaysia. This results are in line with the research conducted by various parties worldwide including Transparency Malaysia (2014), Wren-Lewis (2013), Malunga (2014), Waldron (2012), Abdullah (2008), Batory (2012) and Graycar (2015). The results have reaffirmed the importance of NIP towards reducing the corruption practices in Malaysia.

It is also important to note that in the context of this study, the respondents believe that more actions need to be done to ensure that NIP could be utilised to remedy corruption in Malaysia. Specifically, the results showed that (based on the mean value of the items representing NIP), the respondents perceived that the initiative taken via NIP requires improvements in terms of its implementation, transparency, and comprehensiveness. In order to ensure that corruptions can be fought to the maximum, the NIP requires to be updated, to be improvised further and make it more comprehensive and relevant to the current situation.

This is in line with Roman (2012), who states that any integrity policy must be wide and covers all account of corruption problem and the root cause of corruption including the agencies that are prone to corruption. It is rightly pointed out by Doig (2011), that the traditional construct on integrity policy have proven to be too simple and ineffective which is similar to the findings of the member countries of European Union that many anti-corruption and integrity policies and laws since year 1990s, but the corruption is still one of the major issues and prevalent (Batory, 2012). Argument put forth by Doig (2011) may be relevant as the current NIP of Malaysia was formulated back in 2004. As NIP is nearly 12 years old

now, it may be bit outdated and requires adjustment and revision so that the new commitment and initiative are enforced in line with the changing time and situation. Reflecting on the context of the present study, the Government should be cognisant of the fact that while NIP is a noble effort to curb corruption, the policy requires some improvisation, in which it should be made more comprehensive and its implementation needs to be made more transparent.

With the new social issues as well as the new types of technology, this study suggests that as people change, the NIP needs to be constantly reformed as well so that it remains relevant and meets the expectation and challenges of the society. The respondents generally are of the opinion that the present implementation of NIP is insufficient in combating corruption. Furthermore, the respondents also disclosed that the NIP is not comprehensive enough to fight corruption well. Hence, it is timely for the Government to relook into revising the NIP as soon as possible as what has been done in the advanced countries. The NIP requires reformulation to effectively reduce corruption, malpractices and abuse of power so as to ensure that the said objective is achieved.

5.3.3 Discussion of Hypothesis 2: E-Government and Corruption Practices

Interestingly, all of the e-Government's components exhibit a positive relationship with corruption practices. The design, objectives and mission, implementation, relevancy, adoption, human discretion and improvement of e-Government have strong positive relationships with corruption practices. This study postulated that the implementation of the e-Government could assist in curbing corruption practices in Malaysia. Past studies and argument by Bertot et al., (2010) supports that a comprehensive and well implemented e-Government is crucial and effective machine to stamp out corruption tendencies. As hypothesised, the present study revealed that e-Government has a positive direct relationship with the reduction of corruption practices in Malaysia. In other words, this indicates that the

better implementation of the e-Government, the better it is for the Government to fight corruption. Hence, supporting the prediction that efficient implementation and comprehensive e-Government will assist in curbing corruption. This results are in line with the research conducted by the researchers worldwide including that of (Andvig, 2006), (Melo, 2014), (Kim et al., 2009), (Andersen, 2009), and (Hopper et al., 2009). The results have reaffirmed the importance of e-Government towards reducing the corruption practices in Malaysia. This is in line and rightly pointed out by Andersen (2009) who testifies that e-Government is an effective mechanism in curbing corruption. The findings also in conformity with the survey by Ernst & Young Global Limited (2013) that the use of e-Government results in effective fraud detection and corruption prevention as e-Government could screen and detect all corrupted or intended corrupted transactions within an organisation. Also, as argued by Kim et al., (2009), the execution and implementation of e-Government in administrative proceedings in all fields of public administration minimises the opportunity for public officials to control access to important information and request bribes from the clients.

It is also important to note that in the context of this study, the respondents believe that more actions need to be done to ensure that e-Government could be extended and utilised and even made mandatory to all organizations if the Government is serious in curbing corruption. Specifically, the results showed that (based on the mean value of the items representing e-Government), the respondents perceived that the initiative taken via e-Government requires improvements in terms of its implementation, transparency, and comprehensiveness, suggesting that more work need to be done by the Government to ensure that e-Government is relevant to combat corruption in Malaysia. The result supports the argument advanced by (Mahmood, 2013) that one of the best solution to address the problem

of corruption is to use the internet technologies of e-Government. This is because the internet has been proved to be an effective tool to reduce corruption (Andersen, 2009). The e-Government has been proven to be effective and successful in the areas of tender, purchasing, tax collection, public procurement, and red tape.

It is worth to note that out of the three variables of NIP, e-Government and legal framework, the legal practitioners rated slightly higher on the positivity of e-Government mechanisms in fighting corruption. This is because, the lesser of human intervention, the lesser chance of the human *mens rea and actus reus* to commit corruption. This is in line with other discussion by Andersen (2009) who has asserted that e-Government can make important headway in the fight to reduce and stamp out corruption. The presence finding are also supported by the observation of Bertot et al., (2010) and Heeks (2005) whereby according to both studies, e-Government offers a partial solution to the multifaceted loopholes and problem of corruption. By resorting to e-Government, it allows lesser human intervention and increases transparency and by making processes simpler and open, it hinders and perception on corruption.

Having noted that, the finding of this study also pointed out that the Government must improve the efficiency and implementation of e-Government. The Government must attract and engage the participation both the public and private sectors to apply and use e-Government in all their monetary and service transactions. Though the investment requirement for the e-Government infrastructure is high, the returns weigh even higher in that efficiency and transparency could be further enhanced. This will subsequently augment the image and reputation of the Government seriousness in curbing corruption.

Reflecting on the its Asian counterpart, India's experience in implementing the e-Government is good example as argued by Singh et al., (2010) but political will to implement it is another important element to ponder upon. This is the reason why the respondents were in the opinion that the Government is not serious in implementing e-Government to fight corruption. Therefore, it is undeniable that e-Government is today's best technology and mechanism in fighting corruption and it plays an important and significant role in providing support to the Government in fighting corruption.

In sum, even though the legal practitioners rated the implementation of the Government initiatives including NIP, e-Government and legal framework are low, the e-Government however is rated slightly higher than the other two initiatives.

5.3.4 Discussion of Hypothesis 3: Legal Framework and Corruption Practices

As also stated at the outset, this study hypothesised that the legal framework (in terms of its comprehensiveness, relevancy, sufficient, efficient, fair, updated and ability relative to the corruption practices in Malaysia) is able to reduce corruption practices. Interestingly, the present study revealed that the more comprehensive and effective the implementation of the legal framework, the better it is for the Government to fight corruptions. This result is in line with other researchers worldwide including (P. Wang, 2014), Reader & Practices (2012), Dudley (2015) and Makinuddin (2013) which found the importance of legal framework in reducing the corruption practices.

Nevertheless, it is important to note that the mean values that represent all items for legal framework in this study are well below 4.0 except for the "relevance" element with a mean value of 4.19. The finding of the study indicates that the legal framework requires

modification and amendments. This study established that the current legal framework is not able to fight corruption. The current legal framework need to be reorganised and amended so as it reflects the current gravity of corruption in Malaysia. The findings confirms with the argument by Prado & Carson (2014) that a comprehensive and up-to-date rule of law is needed in order to ensure the success fighting on corruption. For instance, in the context of Malaysia, the legal provisions and penalty provisions to the convicted offenders need be revised to ensure that the sentences imposed commensurate with the offence so that the current legal framework is relevant to combat corruption in Malaysia.

Despite the amended 2009 of MACC Act, the specially designed enacted law on anti-corruption in Malaysia, corruption is still one of the biggest menaces the *rakyat* have to deal with. The Malaysian Government has introduced a few initiatives to support the said enacted law, it seems that there are many other obstacles and challenges in stamping out corruption. Presumably, there could be some issues and ineffective loopholes in the anti-corruption law that need to be addressed soonest possible by the Government. As pointed out by Batory (2012), strong legal framework is of paramount importance as any deficiencies in implementing the law will result in the public to be more incline to commit corruption. Also, as argued by Wouters, Ryngaert, & Cloots (2013), weak legal framework is the main cause of policy failure in corruption resulting it to be one of the major issues and prevalent.

This study helps to suggest that the legal framework on anti-corruption in Malaysia need to be revised and updated to meet the current challenges. Reader and Practices (2012) supported the finding that the legal framework can be one of the best mechanisms in fighting corruption if the enforceable legal framework can change the mentality and mind set of the intended culprit that committing corruption is “low profit-high risk” and not at the current state whereby the culprit thinks “high profit-low risk” activity. The Malaysian Bar (2016) is gravely concerned over the limitation and loophole of legal framework in corruption cases.

Recently, the Malaysian Bar has pointed out the weaknesses of the legal framework by referring to the Attorney General's decision of 26 January 2016 on the three investigation papers submitted to him by the MACC concerning the transfer of funds from SRC International Sdn. Bhd. whereby the Malaysian Bar has great concerns on the interpretation of presumption of corrupt practice in Section 50 of the MACC Act 2009. No doubt, as a result from the study, the respondents want the Government to amend the current legal framework as one of the effective mechanism to fight corruption. The respondents felt that the enforcement of the legal framework remained weak and were neither seen as significant, serious nor focus. It is interesting to refer to the report on Human Development in South Asia (1999) which concludes that corruption is one of the most detrimental causal effects and consequences of poor legal framework.

It may be best if the Government can take up the successful foreign anti-corruption law to Malaysia to be modelled after. The US, Hong Kong, Brazil and France anti-corruption laws are said to be among the best international legal anti-corruption framework and a driving force behind the global push for greater transparency and integrity in effort to combat corruption (Simone, 2014). Besides, the Malaysian legal framework could be extended to have cooperation with the foreign anti-corruption laws as the current global crimes of corruption is not concentrated to one country, but may link to other countries as well. A more systematic and effective legal framework may result in more efficient and progress in curbing corruption.

5.4 Implication of the Study

This study is to investigate the effects of NIP, e-Government and legal framework on the corruption practices. Interesting results are obtained and discussed in the previous sections. The results of this study have offered several theoretical and practical implications

that would enhance the body of knowledge of fighting corruption in Malaysia specifically and to the world generally.

5.4.1 Theoretical Implications

The theoretical implications for this study is namely 1) a multi-theories framework is proposed to analyse the corruption practices; and 2) to provide support that corruption practices can be fought and reduced. This study has proposed a framework to better understand the factors that influence the corruption practices by using two complementary theories: Principal-Agent Theory and Institutional Theory.

Principal-Agent theory provides a strong theoretical explanation that corruption happens when the agent acts for his or her own gain in way inconsistent with the interests of the principal. As such, based on the findings of the present study, the principal agent theory is a powerful tool for understanding corruption and for organising efforts to combat corruption (Lanyi & Azfar, 2005). The findings indicate that the NIP, e-Government and legal framework are important measures to combat corruption practices. Importantly, this study confirms the applicability and validity of the principal-agent theory in understanding corruption studies where corruption behaviours could be reinforced by the inefficiency that exists in the principal-agent relationships. To simply put, the present study further elaborates the principal-agent theory in the context corruption practices whereby government (principal) often has more control than citizens (agent) when it comes to information flow, hence leading members of the government are more susceptible to corruption acts. Singh et al. (2010) further proposed that in order to alter the interaction between the agent (Government) and the principal (citizen) in an effort to reduce tendency for corruption acts, “e-Government” initiative could be a potential remedy.

The institutional theory in the study explains the relationships between the NIP, e-Government and legal framework as the coercive mechanism collectively that could bring about changes in the outcomes or behaviours (Scott 2001; Kim, Kim, & Lee, 2009). The institutional theory has been utilised to observe the interaction between people and the system, as well as to capture processes and practices in social, economic and political evolution (Amenta & Ramsey, 2010). In the present study, the applicability of the institutional theory in explaining corrupt behaviours is justifiable and confirmed. It is evident that institutional theory could help in identifying the means to fight corruption practices.

5.4.2 Practical Implications

The present study dwelled into the three main mechanisms that could be utilised to combat corruption practices in Malaysia, the NIP, e-Government and legal framework. The results clearly revealed that the Government of Malaysia is obliged to look closely into the three mechanisms in the effort to reduce corruption practices. Although the results show that the respondents are generally skeptics and unsure on the initiatives (given the slightly lower mean values for the 3 measures i.e., NIP, e-Government, and legal framework), the results showed that the initiatives could be further improved, amended and improvised to enhance the likelihood of success in curbing corruption practices in Malaysia. Malaysia should stand committed to learn and share information with our international anti-corruption counterparts and continue to strengthen the Government's commitment through the provision of capacity and capability building and the facilitation of technical assistance.

There are three main mechanisms that are currently undertaken by the Government to curb corruption practices in Malaysia namely NIP, e-Government and legal framework. In a

practical sense, based on the results of the present study, in order to improve the implementation of the measures, it is crucial for the Government and policymakers to relook into, reorganise and re-amend all the terms of reference, legislations, rules, and implementations relating to NIP, adopt fully the system of e-Government without any compromise and strengthen the legal framework in Malaysia. Fighting corruption requires Government and public support to improve all the NIP, e-Government and legal framework. The Government must take important and bold step, to strengthen and further enhance the NIP, e-Government and legal framework. As projected in this study, all these three (3) initiatives are perceived as lack of transparency, poor in its implementation and not comprehensive enough to curb corruption practices hence fail to stamp out corruption. Although it is acknowledged that there is no anti-corruption measures that could fight corruption in totality, it is hoped that a more comprehensive, transparent and well-implemented could reduce the likelihood of corrupt behaviours.

The Government must take important and bold step, instead of political strategy, to strengthen and enforce the NIP, e-Government and legal framework. At the moment, from the study, all these three (3) initiatives have not succeeded in stamping out corruption given the perception that NIP, e-Government and legal framework are not comprehensive enough, not transparent and lack of sincerity on the part of the Government in remedying the problem. Since a more comprehensive NIP is believed to be able to curb the corruption practices, the Government of Malaysia should evaluate whether a new or amended NIP that suits the new challenges facing Malaysian society can be enacted to replace the NIP of 2004. Among the possible and complete amendments to the provisions of the NIP are the Chapters on the Enforcement of the Integrity Plan (*Pelaksanaan Pelan Tindakan Integriti*) and Enforcement

of the Integrity Agenda by the Political Institutions and Administrative Institutions
(*Pelaksanaan Agenda Integriti oleh Institusi Politik dan Institusi Pentadbiran.*)

At this juncture, bold measures such as the formulation of a set of Guidelines for a Corrupt-Free Government, Corrupt Free Prime Minister, Ministers and Cabinet are required as the leaders should be seen serious in fighting corruption as well as demonstrating exemplary role model for the *rakyat*. A change in the Government structure and entity alone will not be sufficient.

Sadly, the latest CPI result 2015 has showed that Malaysia has gone down in term of corruption perception index. The latest 2015 CPI Index support the result of this study as Malaysia is currently ranked 54 among 168 countries in the CPI 2015 with a score of 50 out of 100 (Transparency International, 2016). This is a drop from rank 50 out of 175 countries in CPI 2014 with a score of 52 out of 100. (Refer to Appendix 5). This ranking, even though debatable, should be seen as an indicator of the Government seriousness in solving corruption epidemic.

TIM President, Datuk Akhbar Satar was quoted to say that the two-point drop is significant and can be attributed to the issues surrounding 1Malaysia Development Berhad (1MDB) and Prime Minister Datuk Seri Najib Abdul Razak, and other similar suits incidents such as the transfer of the MACC's officers, the sacking of the Special Branch officer, the raiding of MACC offices, termination of the office of the Attorney General, Gani Patail before his contract expires as well as the remarks made by the current Attorney General in not pressing charges against the Prime Minister of Malaysia. "These are among the things that contributed to the rankings," Akhbar told a press conference at the launch of CPI 2015 at

the Royal Selangor Club (Fai, 2016). The Government must have strong political will to combat corruption.

This study could be an eye opener for the Government and help the Government to get a better insight on the rate of approval of the *rakyat* on the initiative by the Government in curbing corruption. Indeed, the study shows that *rakyat* are not happy with the current states of action by the Government in curbing the disease of corruption. More need to be done and the main thing to do now is to identify and address the root cause of corruption. The top senior management of the Government should be cognisant of the fact that the image of the country is at stake when the recent CPI 2015 was released. It shows and Government must hold the corrupt to account without fear and favour. If the current law is not sufficient to stamp out the corruption, the Government must find the formula to enact the adequate law to fight corruption. The war against corruption requires a comprehensive law which covers all possible acts pertaining to corruption. For example, the law must clearly states on how to deal with corrupted assets if they are in overseas. The Auditor General's annual report must be made obligatory to be read by all the ministers and senior Government officials. Only then they will know the loopholes, misdoings and how the respect the rule of law has diminished. The number of cancer cases of corruption in Malaysia is rising but the even bigger cancer of corruption is also eating the fabric of ethics and integrity in Malaysia (Pandiyan, 2015).

5.5 Limitation of the Study

Despite the usefulness of the findings, this empirical study has several considerable limitations that need to be addressed.

Firstly, the findings cannot be generalised extensively to the general public given the scope of the study that only looks into the perspective of the legal practitioners. Given that

the legal practitioners generally are more aware and closer to the corruption-related cases in the court, their perceptions may not reflect the general public. As the study is being catered only for the legal fraternity in four main states in Malaysia, the results can only be generalised for the legal industry and not from the layman perspective. Therefore, when generalising this study, researcher should caution that the study has no representation for other industry. Future research can be further explored and extended to include the sample of respondents from all the states in Malaysia including Sabah and Sarawak and from other profession.

Secondly, this study limits the research on only three (3) main initiatives; i.e., NIP, e-Government and legal framework. Given that the 3 factors only account for 57.4 in explaining corruption practices, other possible variables may need to be studied as well so as to check whether they could yield higher predictive power. There are other factors that explain 42.7 percent of the variance that are not accounted for in the framework. The framework could be improved further by adding the relevant factors for corruption practices. Possible predictors may include religion, enforcement, education, whistle-blower as well as MACC power.

Also, the findings should be interpreted with caution if it is to be applied to other countries. The uniqueness of each country's system and culture should be carefully looked into before findings can be mapped onto other countries.

5.6 Suggestions for Future Research

This study is focused only on three main variables namely NIP, e-Government and legal framework. There are other variables that can be studied such as the enforcement initiative and the religion beliefs. It is worth to note that Professor Roberto Laver (2010) highlighted the role religion is often overlooked as a resource for anti-corruption efforts. He

pointed out that religion should be used as a primary sword and play a significant role to fight the entrenched cultures of corruption (Paterno, 2010). It is important to emphasize that corruption *Jumhur Ulama* has argued that corruption is the result of spiritual emptiness and the weakness of religious belief. Sorensen (2012) and Hantati (2015) stressed that a number of Quranic verses and Hadiths forbid evil and order the promotion of virtue, noting that the Quran and the *Sunna* are all criminalizing corruption. It is well established in many literatures that religion and ethics are closely linked. However, there is only few researches that dwell on the religion and corruption. Hence, the future research should fill in the lacuna to embark and investigate the relationship of Islam as a religion to fight corruption. The impacts are relevant and worthy of continued research.

This study focuses on two main theories, principal agent theory and the institutional theory to explain the effects on the corruption practices. It is recognised that corruption practices is a multi-discipline, multi-theories and multi-dimensional research. Future research could focus and examine corruption practice from other theories as well, for example, from the lens of *micro-level rational-actor approach* that emphasise on the role of the individual themselves that could augment corruption behaviours ((Wren-Lewis, 2013).

While this research offers an interesting insight into the corruption practices in Malaysia at the present time, future research can further enhance the findings by conducting in-depth interviews and stakeholders meeting to obtain rich and fresh views pertaining to the root causes of corruptions as well as the ways in which corruption can be curbed. Researcher may also consider the corruption research by analyzing the real-life cases by utilising quantitative measures and research techniques. Since the main focus of relational approach is on actual transactions, this real life cases may provide a perfect starting point for the research on corrupt practices. It is worth to research on the corrupt offenders whether at the time they committed corruption, they were thinking “just take what is being offered”, even the boss

takes it” and “it is not his money. He will make a claim to his company”. Real world corruption practices may have more resources and tend to be more details and comprehensive than the data obtained by perception surveys. In Malaysia, there are a few real life and real world stories and cases that can be picked up and interviewed on the corruption practices. An example, the road-show by Mohd Firdaus bin Ramlan, an ex-magistrate who had been convicted of corruption practices, may be relevant to be analysed and research on (Utusan Malaysia, 2015).

In addition, future research can also consider the role of private sectors and civil individuals in fighting corruption. It is worth to research on how the creation of awareness on corruption by reaching out to and engaging with the private sectors as well as young adults in Malaysia. The research could identify whether the private sectors support the Government’s transformation initiatives and programmes or not and whether there shall be independent, non-partisan, not for profit civil society in fighting corruption.

The subject of the future research may also embark on the Government initiative to teach the integrity and anti-corruption subject through education. These subject matter is interesting as the Government has introduced the subject matter to Standard 6 pupil and the formation of corruption prevention secretariats at Teachers Education Institutes and Universities and the incorporation of corruption topic into the national education syllabus.

The future research shall also embark on how to improve the perception of initiatives undertaken by the Government to fight corruption practices in Malaysia. One of the possible studies is on how the MACC will be reformed to achieve independence from the executive arm so that MACC can perform its duties without undue interference. It may be important to study on how the Government can regulate political funding and strengthen enforcement

agencies in terms of capacity, powers, and independence. The other possible studies will also look out on how the advantages of the foreign legal framework on anti-corruption can be applied in Malaysia. This is due to the facts that, in ten (10) years' time from now, the mutual legal assistance in legal framework may be the next powerful initiative of all countries in the world to fight corruption.

Future research could also examine the implementation of whistleblower implementation and procedures in Malaysia. Despite Malaysia has enacted the Whistleblower Protection Act 2010, six years ago, only a handful of individuals, i.e. 48 individuals who have invoked the protection under the the Whistleblower Protection Act 2010. There are few worries and skeptical towards the effectiveness and implementation of the said Act and any future research on this initiative may be relevant to identify the role of the Act in fighting corruption. This is what has been reported by the Malaysian Corruption Barometer 2014 that 49 percent of the respondents interviewed said that they will not report an incident of corruption to the authorities and among the reasons of non-reporting are afraid of reprisals (46 percent), do not know where to report (27 percent) and wouldn't make any difference if the report lodged (27 percent).

Finally, future research can also consider the role of media in publishing the names and details of the convicted offenders of corruption. As at 2014, a total of 805 corruption offenders have been published in the MACC website. It is interesting to research on whether the "name and shame" initiative can be one of the best mechanisms in fighting corruption.

5.7 Conclusion

In conclusion, this study examines the factors influencing the corruption practices in Malaysia. The corruption practices are found to be strongly related to NIP, e-Government and legal framework. The findings are in line with the general survey conducted by TI-M in its report of Malaysia Corruption Barometer Survey Report 2014. In the said 2014 survey, the perception of corruption trend in the past two (2) years shows that 30 percent of Malaysian feel that number of corruption cases has increased. Only twenty four (24) percent feel that corruption of public sector is not a problem but about fifty (50) percent of Malaysians still believe it is a serious problem in public sector (Transparency Malaysia, 2014).

The findings, unearthed from this study, offer an empirical justification on the relationship between the Government initiatives and the corruption practices. The similarity of results show evidences that the NIP, legal framework and e-Government have effected on corruption practices. This is because these three (3) independent variables have a very direct effect with corruption. In order to identify other effective measures to fight corruption, more research needs to be conducted to obtain richer insights pertaining to the matter. Reflecting on the findings of the present study, it is hoped that, at least to a certain extent, offers feedback to the Government and policy makers on the current perception on corruptions in Malaysia. Undoubtedly, corruption cannot be prevented overnight; to fight corruption, one needs long term strategies and the cooperation from all quarters. It is hoped that important lessons and recommendations could be taken up to stamp out corruptions to the maximum level.

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APPENDICES





Appendix I

Questionnaire

1 December 2015

Dear Y.Bhg. Datuk/Dato'/Datin/Mr./Mrs.,

My name is Khairul Anuar bin Che Azmi, a Doctorate of Business Administration's (DBA) student at Universiti Utara Malaysia (UUM). Currently, I am doing a research on "The Effects of National Integrity Policy, e-Government and Legal framework on the Perception of Corruption Practices in Malaysia: The Perspective of Legal Practitioners". Because you are one of the qualified legal practitioners i.e. an Advocate and Solicitor of the High Court of Malaya, I am inviting you to participate in this research by completing the attached questionnaires. The main objective of this survey is to elicit the legal practitioners' views and opinions pertaining to the corruption implementation initiatives in Malaysia.

The following questionnaires will require approximately 15 to 20 minutes to be completed. There is neither compensation for responding nor is there any known risk. In order to ensure that all information will remain confidential, please do not include your name. Outcomes of the research will be submitted to Othman Yeop Graduate School of Business, UUM as a partial requirement for the fulfilment of DBA degree.

If you choose to participate in this project, please answer all questions as honestly as possible and return the completed questionnaires promptly by email them to khairul6886@gmail.com. As an alternative, you may also complete the questionnaire and return it to me during my visit to your firm.

Thank you for taking the time to assist me in my educational endeavors. The data collected will provide useful information regarding the fighting against corruption practices. Please be assured that the information given by you will be treated with strictest confidence. If you require additional information or have questions, please send me an e-mail or you may also contact my supervisors, Associate Professor Dr. Shahimi Mohtar at shahimi@uum.edu.my or Dr. Rohana Abdul Rahman at hana@uum.edu.my.

Your Sincerely,

Khairul Anuar Che Azmi
DBA Candidate
khairul6886@gmail.com
012 416 5886

SECTION ONE: DEMOGRAPHIC PROFILE

The following information is solely for statistical purposes and will be strictly kept confidential. Please fill in the information relating to your background with the most appropriate answers where applicable.

LEGAL PRACTITIONER'S PROFILE

1. Your position in the legal firm
 - Partner
 - Legal Assistant
 - Other (please specify)
2. Your ageyears old (please state)
3. Ethnic background
 - Malay
 - Chinese
 - Indian
 - Others (please specify)
4. Gender
 - Female
 - Male
5. Highest education level
 - LL.B degree
 - Master's degree
 - PhD degree or equivalent
6. Years of involvement in legal field year(s) (please state)

FIRM PROFILE

1. The legal entity of your firm
 - Sole proprietorship
 - Partnership
 - Other (please specify)
2. Location of your firm
 - Penang
 - Selangor
 - Federal Territory of Kuala Lumpur
 - Johor

3. Main area of legal practice(s) (you may tick more than one):
- Conveyancing
 - Litigation
 - Corporate
 - Banking
 - Criminal
 - Intellectual Property
 - Other (please specify)
4. Year of firm's establishment: year(s) (please state)



SECTION TWO: CORRUPTION PRACTICES IN MALAYSIA

Please read each statement carefully and indicate your choice by circling the appropriate number on a 7 point scale, which indicates the number that best describes how you feel about the following statements:

1	2	3	4	5	6	7
Completely Disagree	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Completely Agree

Corruption Practices in Malaysia							
In my opinion...							
There is a reduction of corruption cases in Malaysia in the past three (3) years (since 2012).	1	2	3	4	5	6	7
The Government is committed in fighting corruption.	1	2	3	4	5	6	7
The Government is doing its best in fighting corruption.	1	2	3	4	5	6	7
The Government is sincere in fighting corruption.	1	2	3	4	5	6	7
The Government programmes on anti-corruption are effective.	1	2	3	4	5	6	7
The NGOs such as Transparency International Malaysia are committed in fighting corruption.	1	2	3	4	5	6	7
The NGOs such as Transparency International Malaysia's programmes on anti-corruption are effective.	1	2	3	4	5	6	7

SECTION THREE: NATIONAL INTEGRITY POLICY (NIP)

Please read each statement carefully and indicate your choice by circling the appropriate number on a 7 point scale, which indicates the number that best describes how you feel about the following statements.

1	2	3	4	5	6	7
Completely Disagree	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Completely Agree

Implementation of Malaysia's National Integrity Policy (NIP)							
In my opinion ...							
National Integrity Plan is a good initiative by the Government to fight corruption.	1	2	3	4	5	6	7
National Integrity Plan has been implemented efficiently by the Government.	1	2	3	4	5	6	7
National Integrity Plan has been designed to combat corruption efficiently.	1	2	3	4	5	6	7
National Integrity Plan is relevant.	1	2	3	4	5	6	7
National Integrity Plan has improved the transparency and anti-corruption image of Malaysia.	1	2	3	4	5	6	7
National Integrity Plan is comprehensive.	1	2	3	4	5	6	7
National Integrity Plan need to be improved.	1	2	3	4	5	6	7

SECTION FOUR: E-GOVERNMENT

Please read each statement carefully and indicate your choice by circling the appropriate number on a 7 point scale, which indicates the number that best describes how you feel about the following statements:

1	2	3	4	5	6	7
Completely Disagree	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Completely Agree

Implementation of e-Government In my opinion ...							
E-Government has been designed to combat corruption efficiently.	1	2	3	4	5	6	7
E-Government has achieved its objectives and mission.	1	2	3	4	5	6	7
E-Government has been implemented efficiently by the Government to fight corruption.	1	2	3	4	5	6	7
E-Government is relevant.	1	2	3	4	5	6	7
E-Government requires adoption by all Government Ministries and agencies.	1	2	3	4	5	6	7
E-Government allows lesser human discretion.	1	2	3	4	5	6	7
E-Government requires improvement.	1	2	3	4	5	6	7

SECTION FIVE: LEGAL FRAMEWORK

Please read each statement carefully and indicate your choice by circling the appropriate number on a 7 point scale, which indicates the number that best describes how you feel about the following statements:

1	2	3	4	5	6	7
Completely Disagree	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Completely Agree

Quality of Legal Framework on Corruption							
In my opinion the existing legal framework on corruption in Malaysia is ...							
Comprehensive	1	2	3	4	5	6	7
Relevant	1	2	3	4	5	6	7
Sufficient	1	2	3	4	5	6	7
Efficiently implemented by the Malaysian Court	1	2	3	4	5	6	7
Fair	1	2	3	4	5	6	7
Updated	1	2	3	4	5	6	7
Able to fight corruption in Malaysia	1	2	3	4	5	6	7

THANK YOU FOR YOUR KIND COOPERATION

Appendix 2

Expert View

19 April 2015

Dear Prof. Datuk/Prof. Dato'/Assoc. Prof./Sir/Madam,

I hope to seek your kind suggestion in improving the pre-test of questions that I intend to use as part of my research titled "The Effect of National Integrity Policy, e-Government and Legal Framework on Corruption Practices in Malaysia: The Perspective Of Legal Practitioners". I would like to invite you to be a member of a panel of experts to provide comments and/or suggestions on the measurement that will be used in this study.

The study attempts to examine the effects of the National Integrity Policy, e-Government and legal framework on the corruption practices. This is because, in this rapid and competitive world, it is vital for the Government of Malaysia to develop effective, strong and integrated independent variables to fight corruption. Thus the Government must ensure that it has its own workable strategies, long term plan as well as good working initiatives to fight corruption in Malaysia. Implementing effective strategies to fight corruption can be measured by the increasing confidence in the public that the Government is fighting corruption effectively.

I hereby attach a set of questions in which each of the question requires you to state your comments on the clarity of the items. If you have any question or wish to discuss please e-mail me at khairul6886@gmail.com. I would be very grateful if you could kindly return your feedback before **22nd May 2015**. Your participation and feedback is extremely important for my research and greatly appreciated. You may also contact my supervisor, Associate Professor Dr. Shahimi Mohtar at shahimi@uum.edu.my.

Your Sincerely,

Khairul Anuar bin Che Azmi
DBA Candidate
khairul6886@gmail.com
012 416 5886

SECTION ONE: DEMOGRAPHIC PROFILE

The following information is solely for statistical purposes and will be strictly kept confidential.

LEGAL PRACTITIONER'S PROFILE

1. Your position in the legal firm
 - Partner
 - Legal Assistant
 - Others (please specify)
2. Your age years old
3. Ethnic background
 - Malay
 - Chinese
 - Indian
 - Other (please specify)
4. Gender
 - Female
 - Male
5. Highest education level
 - LL.B
 - Master's degree
 - PhD degree
6. Years of involvement in legal field years (please state)

FIRM'S PROFILE

1. The legal entity of your firm
 - Sole proprietorship
 - Partnership
 - Others (please specify)
2. Location of your firm
 - Penang
 - Selangor
 - Federal Territory of Kuala Lumpur
 - Johor
3. Main area of legal practice(s) (you may tick more than one):
 - Conveyancing
 - Litigation
 - Corporate
 - Banking

- Criminal
- Intellectual Property
- Others (please specify)

4. Year of firm's establishment years

SECTION TWO: CORRUPTION PRACTICES

Definition - The term corruption practices is generally defined as the exercise of public power for private gain (Treisman, 2000). Corruption is an illicit conduct and takes place secretly when no one is watching (Batory, 2012). Corruption is also defined as the abuse of public power for private benefit (Abdullah, 2008).

Please read the items carefully and I would appreciate any comment/suggestion that you wish to include in the column provided.

Respondents rate each item from 1 (very strongly disagree) to 7 (very strongly agree) using a Likert scale.

Perception of Corruption in Malaysia	COMMENTS
In my opinion, ...	
There is reduction in corruption cases in Malaysia.	
People do not achieve high standards of living through corruption.	
There are reduced cases of concentration of wealth due to corruption.	
The Malaysian Government commits, sincere and serious to fight and reduce corruption in Malaysia.	
The Malaysian Government commits to increase the level of integrity among its	

Government's servants.	
The Malaysian Government commits to execute the National Integrity Policy in fighting corruption.	
The Inspector General of Police is doing the best in fighting against corruption.	
The Chief Commissioner of MACC is doing the best in fighting against corruption.	
The Attorney General is doing a fair and non-selective prosecution in fighting against corruption.	
The Malaysian Integrity Institute is doing the best in implementing the National Integrity Plan (PIN).	
The NGOs such as Transparency International Malaysia and Centre to Combat Corruption and Cronyism are doing their best in monitoring and fighting corruption.	
MACC programmes on anti-corruption are effective.	
IIM and other NGOs programmes on anti-corruption are effective.	

SECTION THREE: NATIONAL INTEGRITY POLICY

Definition –Many countries have enacted their own law and policies in fighting corruption. Integrity policy must be wide and covers all account of corruption problem. As envisioned by Roman (2012), the public policy on integrity must evolve so as to generate appropriate and effective solution. Traditional construct on integrity policy have proven to be too simple and ineffective (Doig, 2011).

Please read the items carefully and I would appreciate any comment/suggestion that you wish to include in the column provided.

Respondents rate each item from 1 (very strongly disagree) to 7 (very strongly agree) using a Likert scale.

National Integrity Policy In my opinion, ...	Comments
Malaysia has a good National Integrity Plan.	
Malaysia's National Integrity Plan is well implemented.	
Malaysia's National Integrity Plan is relevant.	
Malaysia's National Integrity Plan is timely.	
Malaysia's National Integrity Plan has reduced corruption in Malaysia.	
Malaysia's National Integrity Plan has been implemented efficiently by MACC and IIM.	
Malaysia's National Integrity Plan has been adopted by all Government Ministries and agencies.	

Malaysia's National Integrity Plan achieved its objectives and mission.	
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SECTION FOUR: E-GOVERNMENT

Definition - Many countries have used e-Government to increase openness, transparency and integrity in their administration (Bertot et al., 2010). The Electronic Government (e-Government) and the Information and Communication Technology (ICT) play a major role in combating and eradicating corruption in Malaysia (W. S. Yusoff, 2011).

Please read the items carefully and I would appreciate any comment/suggestion that you wish to include in the column provided.

Respondents rate each item from 1 (very strongly disagree) to 7 (very strongly agree) using a Likert scale.

e-Government In my opinion, ...	COMMENTS
The e-Government has reduced corruption in Malaysia.	
The e-Government has been implemented efficiently by MAMPU.	
The e-Government has been well received and adopted by Malaysian.	
The e-Government is vital in Malaysia to fight corruption.	
The e-Government allows lesser human discretion that could contribute to corruption.	
The e-Government is a tool in fighting corruption in Malaysia.	

SECTION FIVE: LEGAL FRAMEWORK

Definition - An effective legal framework has always been viewed as a key component in reducing corruptions. Without forceful, firm and comprehensive interrelated legal framework that support the Government and the judiciary of a country, it will not result to a right direction to fight corruption. The rule of law is needed in order to ensure the success fighting on corruption. Prado & Carson (2014) said that a fair and comprehensive legal framework need to be created first in order to fight corruption.

Please read the items carefully and I would appreciate any comment/suggestion that you wish to include in the column provided.

Respondents rate each item from 1 (very strongly disagree) to 7 (very strongly agree) using a Likert scale.

Legal framework In my opinion, the existing legal framework in Malaysia is ...	COMMENTS
Comprehensive and able to fight all types of corruption.	
Relevant.	
Sufficient.	
Well implemented.	
Fair.	

Please rate your overall comment about this questionnaire.

Overall feedback	Very easy to comprehend	Easy to comprehend	Neutral	Difficult to comprehend	Very difficult to comprehend
Wordings	1	2	3	4	5
Clarity of sentences	1	2	3	4	5
Order/flow of statements	1	2	3	4	5
Adequacy of instruction	1	2	3	4	5
Level of understanding	1	2	3	4	5
Length of the survey	1	2	3	4	5
Wordings	1	2	3	4	5

Expert's general comment:



Thank you for your valuable time and kind assistance.

Researcher's contact detail:

Name: Khairul Anuar Che Azmi

Email: khairul6886@gmail.com

Universiti Utara Malaysia

Othman Yeop Abdullah Graduate School of Business

Appendix 3
SPSS Analysis



Appendix 4

E-Survey



Appendix 5

CPI Data

