Ethics and Integrity in Building Employee’s Perceptions

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Malaysia has long been involved in the initiative of becoming a high income country by the year 2020. In this essence, fighting and eliminating any means of corruption in the public and private companies have been one of the key challenges in the long run. The globalization of businesses has somehow led to an increase in the number of unethical conduct and hazardous corruption. In the urge to enliven ethics and integrity in a company and among employees, the whole business processes and stakeholders should position code of ethics and integrity at its highest standard. However, can ethics and integrity really increase the company’s reputation, strengthening its business operations and sustainability, and deliver trust amongst employees and employers? The objective of this study is to analyze the perceptions of employees on issues pertaining ethics and integrity. The study has been conducted in one of the giant telecommunication companies in Malaysia where a sample of 7,056 employees were the participants involved in the survey. The study has used questionnaires to collect data. The data have then been analysed using the SPSS data analysis software. The findings explained that employees view the company as an ethical place to work where the finance department is deemed to have the highest level of integrity. While in matters of corruption risk areas, there are still practices of bribery. It is also founded that a majority of respondents about 93% agree that the company’s initiatives are effective in building business integrity and that the level of business ethics and integrity has improved over the last two years. Running a business with ethics and integrity while selecting the right business partners will create a corporation of ethics, integrity, and anti-corruption.

Keywords: ethics, integrity, employee’s perceptions, corruptions, bribery, telecommunication company

Introduction

Integrity is broadly defined as the moral quality of having consistency in uprightness, as can be measured by the conduct of companies and businesses when unobserved. Integrity is violated when corporate governance policies and procedures are disregarded in the quest for personal and corporate gain, as the interests of the perpetrators are usually put before those of other stakeholders and the wider community. Albeit the fact that many employees working for a company have a brilliant job description, there are many that are still in bound of confusion and lack in performing their assigned job. Some might not even know the type of job they are supposed to work on as little engagement or no engagement is emphasized at the workplace. Some are just too unethical enough in performing their daily job.

This study has focused on one of the giant telecommunication companies in Malaysia. Since the country’s independence in 1957, the country started to develop little by little by opening many business entities,
including the telecommunications services in selected regions. Today, most of the services are dispersed all over Malaysia where many have set its headquarters in Kuala Lumpur and Selangor. The gist of this research is on getting employees’ perceptions on their work in relation to ethics and integrity. To avoid disturbances of cultural and ethnic sensitivity, this research has analyzed the employee’s perceptions using the general construct of work ethics and integrity in order to suit all employees’ background and to avoid bias answers.

To ensure smooth implementation of this study, Transparency International Malaysia (TI-M) has been used as tools/instruments. TI-M works as global anti-corruption coalition, Transparency International (TI). TI started to combat corruption since its inception in 1993 and has been active in delivering anti-corruption programmes for the private sector for the past 10 years. Many of the instruments used globally for dealing with corruption either came from TI or were designed with its help. A wide range of experience and expertise is now available in Malaysia to assist commercial companies in their work to develop and strengthen their corporate governance and integrity systems.

To adhere to integrity and ethics issues, the TI-M Business Integrity Programme Unit was established in 2011 to meet the emerging demand for integrity services in Malaysia. In 2013, TI BIP Malaysia Sdn Bhd (TI-BIP) was formed to manage the growing work of the BIP Unit. Drawing on the experience of the TI global network, the TI-BIP team uses the best in methodology and tools and adapts them to the setting and culture of Malaysian companies.

As a model corporate citizen committed to good governance and transparency, the telecommunication company continues its pledge to ensure the integrity of its processes, people, and reputation as well as the sustainability of its operations. Since 2006, with the establishment of its Code of Business Ethics, the company has launched programmes and initiatives to promote integrity in all facets of its operation. With this, the company tested the effectiveness of its initiatives by conducting a survey with staff and suppliers on their perception of the company as ethical company and practicing business integrity.

**Literature Review**

**Ethics**

Ethics is a study that has long been done by past scholars; however, its definite definition by the past scholars has not led to any new definition in this new era. This is why definitions and citations are still in the 90’s era. Work ethics is part of ethics and it refers to the moral principle of employees towards their work and while engaging in performing their work (Bowie & Cherrington, 1982). This shows that even the basic of an ethic constitutes to the need for employees to get engage in their daily work.

Some of the examples of work ethic are honesty, sincerity, hard-working, timeliness, cleanliness, and many more. It is considered as part of the value system of people at work. Andrisani and Parnes (1983, p. 101) defined work ethics as “beliefs about the moral superiority of hard work over leisure or idleness, craft pride over carelessness, sacrifice over profligacy, earned over unearned income, and positive over negatives towards work”. This shows that employee is to choose what is wrong from right while doing work. Ali and Al-Owaihan (2008) however commented that work ethics refers to an employee’s commitment to engage and work hard in order to earn a living.

An individual abiding to a company’s rules and regulations is considered ethical. However, several theories said that persons can also become unethical in their choices and act if they are used to the practice of immoral conduct previously. Based on the social penetration theory, a person that engages in an unethical
misconduct will tend to continue on the misconduct behavior (Chang, 1998). This has shown that failure to become ethical may lead to moral misconduct and a deeper integrity issue in a company. The Kohlberg’s theory explained that individuals usually have their own level of moral upbringing in making ethical choices or action (Snarey & Samuelson, 2015). In this sense, ethic plays a vital role in determining an individual moral and integrity level while doing work.

Integrity

Integrity is very important to individuals, groups, companies, and society, as it drives workplace workability. As mentioned in Mcfall (1987), integrity relates to the concept of morality where morality involves telling the truth, being honest and just in all situations (Milton, 2015). This indicates that a person should stick to the principle of being true to oneself. Thus, integrity can be divided into two which is moral integrity and personal integrity (Martin, Vaught, & Solomon, 2010). These two types of integrity can affect how people perceive what is true to oneself. This may lead to weaknesses, such as weakness of the individual will and self-deception. Understanding such instances, these could happen due to the principles that an individual holds. However, a person with integrity will always be willing to take responsibility and to bear any consequences of her/his convictions at any unpleasant circumstances (Solomon, 1992).

In many companies, integrity often refers to the principles and decisions made by an individual worker or in groups regardless of positive or negative consequences (Menzel, 2005). Past researchers have also confirmed that integrity affects most of the individual work behavior. While understanding such explanations, integrity that distinguishes from ethics also is correlated with each other as two dependent variables.

Methodology

The method administered for this study is quantitative with the use of questionnaires. A survey for employees on a telecommunication Business Integrity Survey was set up using a mainstream online survey engine and the survey link was sent to employees in the company. The survey ran for six weeks. A total number of 7,571 respondents were set as samples in this study, thus about 7,056 returned the complete responses. Only complete responses were taken into account in the data analysis. The respondents were employees from one of the giant telecommunication providers in Malaysia.

![Diagram](https://example.com/diagram.png)

*Figure 1. Conceptual framework.*

The conceptual framework in Figure 1 above is deemed to look into perceptions of integrity and ethics to bring out a result of employee’s perceptions. Getting the said perceptions is very important in the urge to develop future integrity model that can help not only the employees but also the society and companies at large.
Findings and Discussions

There were two major findings in this first section. One of the findings discusses the fundamental perception of employees towards ethics, integrity, and corruptions. The second section explains the perception of employees towards the effectiveness of the company’s integrity initiatives.

In relation to the perceptions of ethics, integrity, and corruptions in the company, a statistical percentage depicted in pie chart has been outlined in Table 1. The survey output shows that a majority of respondents believe that the company is an ethical company to work for (62% agree and only 2% disagree). However, about 48% disagree with corruption at their company and 28% agree. With this response, they believe that corruption is not a big existence in their company. Prior to this, it is believed that the employees are ethical in conducting their daily work and is not prone to any means of corruptions. With this, company is also out from any involvement of unethical operations and corruptions.

Table 1

<table>
<thead>
<tr>
<th>Perceptions on ethics</th>
<th>Perceptions on corruptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>1%</td>
</tr>
<tr>
<td>Disagree</td>
<td>2%</td>
</tr>
<tr>
<td>Agree</td>
<td>62%</td>
</tr>
<tr>
<td>Strongly agree</td>
<td>35%</td>
</tr>
</tbody>
</table>

In identifying the level of integrity among departments or divisions in the company, Figure 2 shows that employees believe that group finance, group internal audit, group human capital management, and group legal compliance have the highest trust of integrity running for decades. While customer services management, government unit, and consumer unit are seemed to be at the lower trust of integrity from the perceptions of employees.

Figure 2. Perceptions of integrity in the organisation.
The perception of employees on the enforcement of ethics and integrity within the company shows a positive response. In Table 2, the survey shows that a majority of respondents believe that ethics and integrity are taken seriously in the company, with 91% (62% agree and 29% strongly agree) of respondent agreeing that the company is serious about tackling corruption both internally and externally. This has shown the seriousness of the company in tackling corruption and instilling integrity into its business operations both internally and externally. This is further demonstrated by respondent’s belief that ethical conduct is important in their annual performance assessment (58% agree and 30% strongly agree). Furthermore, there is a good demonstration of leadership from the top, as 86% (58% agree and 28% strongly agree) of respondents believe that the company’s management values ethical behavior more than personal gain. With all these positive significant output, it is therefore agreed that ethics and integrity are fully integrated into all the company’s operations and are well practiced (Webley & More, 2003).

Table 2

<table>
<thead>
<tr>
<th>Perceptions</th>
<th>Strongly disagree</th>
<th>Disagree</th>
<th>Agree</th>
<th>Strongly agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Seriousness is in tackling corruption and instilling integrity into its business operations both internally and externally.</td>
<td>2%</td>
<td>7%</td>
<td>62%</td>
<td>29%</td>
</tr>
<tr>
<td>Ethical conduct is an important criterion in annual performance assessment.</td>
<td>1%</td>
<td>5%</td>
<td>58%</td>
<td>36%</td>
</tr>
<tr>
<td>Company’s management (including directors) believes that ethical behavior is more important than personal gain.</td>
<td>1%</td>
<td>5%</td>
<td>58%</td>
<td>36%</td>
</tr>
<tr>
<td>Ethics and integrity are fully integrated into all the company’s operations.</td>
<td>1%</td>
<td>7%</td>
<td>60%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Table 3 shows the perception of employees on the effectiveness of the company’s integrity initiatives. The survey shows that a majority of respondents (93%) agree that the company’s initiatives are effective in building business integrity and that the level of business ethics and integrity has improved over the last two years. The survey also shows that more communication of the integrity initiatives is needed, with talks, briefings, and training, and the company’s integrity website being top choices. Many respondents also chose cash reward for whistle blowing reports, indicating that the respondents feel there ought to be incentive for whistle blowing.

Table 3

<table>
<thead>
<tr>
<th>Perceptions on effectiveness of integrity</th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly disagree</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disagree</td>
<td>6%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agree</td>
<td>69%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strongly agree</td>
<td>24%</td>
<td></td>
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While asking on options of initiatives that would strengthen the integrity practices and culture of the company, a huge number of employees believed that a series of talks, briefings, and trainings would be a tool to strengthen the practices and enforcement of ethics and integrity internally and externally. This can be viewed in Figure 3.
Which of the following initiatives would further strengthen the integrity practices and culture

Figure 3. Initiatives to strengthen integrity and culture.
Conclusions

The study concluded that both (1) perception of ethics and integrity and (2) perception of effectiveness of the company’s integrity initiatives are in significant and liable results. In this attempt, employees viewed their company as an ethical place to work where the finance department is the highest level of integrity. With this, it is justifiable that ethics does contribute to higher level of integrity. It is found that a majority of respondents about 93% agreed that the company’s initiatives are effective in building business integrity and that the level of business ethics and integrity has improved over the last two years.

Consistently, the study has its future recommendation of expanding the study of integrity into relating it to other variables, such as corruptions and whistle blowing act. It is also in the study long-term plan to develop a new integrity model/framework that can justify these variables in the work of integrity in a company.

References