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IMPROVING HUMAN VALUE THROUGH RELIGIOSITY AND SPIRITUALITY IN REDUCING CORRUPTION RISK

Wan Mohammad Taufik Wan Abdullah (a)*, Salina Daud (b), Zulkefli Muhamad Hanapiyah (c)
*Corresponding author

(a) College of Business Management and Accounting, University Tenaga Nasional, Malaysia,
WMTaufik@uniten.edu.my
(b) College of Business Management and Accounting, University Tenaga Nasional, Malaysia, Salina@uniten.edu.my
(c) Faculty of Business, Information and Human Science, IUKL, Malaysia, Zulkefli@iukl.edu.my

Abstract

Successful in reducing corruption risk in the organization supported by the credibility of the employee that always in positive value, ethical, behaviour and action in implemented every rules, regulation and policies. The development a good employee is not only focusing on the external factor, but it also needs to balance with internal factor which is religiosity and spirituality. This study aims to investigate the effect of religiosity and spirituality among employee towards the corruption risk in the organization. The selected organizations involved in this study are based on the information provided by Malaysia Anti-Corruption Commission (MACC). The unit of analysis for this study is focusing on the employees who were involved in the decision making within the organization. This study involves 482 respondents from lower to top management using stratified sampling technique. The finding of this study shows that, there is a statistically significant effect between religiosity and spirituality towards corruption risk. The basic consumption is, the deep practice of religion by the employee, the more they will incorporate with their belief in their personal and working lives and lead to reduce the risk of corruption. The limitation of this study is the selected respondents only from public sectors. Hence, in future research, it is important for researcher to expend the population and sample into private organization, government link company and multinational company.

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Keywords: Religiosity, spirituality, corruption risk, partial least square (PLS).

1. Introduction

Corruption is an age-old problem and has been present in various forms such as bribery, extortion, cronyism, nepotism and embezzlement since the beginning of the civilization (Jha, 2015). However, the main important guidance for the employee or leader to avoid being involve in corruption is the value of religiosity and spirituality. This is because, each of religious in the world are teaches and guide their believer to become a good human. High level of religious and spirituality value will lead employee and leader in increasing the level of integrity, morale, and also responsibility in the work placed. Regarding morality in the work environment, Islam considers that working is a demonstration of ibadah (worship) that must be released with equity, duty and honesty (Bouarif, 2015). Religious beliefs are linked to ethical abuses, especially in the context of rewards and punishment (Atkinson & Bourrat 2011). Religion promotes equality, condemns deception and rejects corruption (Adams, 2015). All the major world religions attempt to define human relationship with a dominant divinity, aside from serving as sources of institutions used in managing early societies.

Therefore, the emphasis on religious education is an important as a guidance for every employee and leaders in the organization. Thus, it is important to have a great training strategies and action in order to balancing the human value between skill, capability, knowledge and also internal value such as religiosity and spiritual.

2. Problem Statement

In the context of Malaysia, the issue of corruption in this country in 2017 is higher compared to 2016. According to Malaysia Corruption Perception Index (2019), Malaysia corruption ranking: 50th (2013), 52nd (2014), 54th (2015) and 55th (2016), 62nd (2017), 61st (2018). Thus, corruption is one of the issues that Malaysia needs to pay attention to because it is directly related and influences the effectiveness of governance and moral conduct of the employee in the organization (Aladwani, 2016; Malaysia Corruption Barometer (MCB), 2014). In order to fight corruption issues and cases in the public agencies, it is important for the management team for strengthen the implementation of rules, regulation and policies, and at the same time improve and strengthen human value especially in term of ethic, behavioural, integrity and moral conduct.

The incidence of bribery in the education and medical/health services has also increased (3% to 4% for education and 1% to 3% for medical services), along with the utility services (increases from 2% to 5% in 2014).

The MCB (2014) states that the bribery and corruption in Malaysia is higher compared to that reported in 2013. The lack of transparency, integrity and accountability in the public sphere must be discussed among all levels of society in democratic countries (Islam, 2009). It is important to highlight that it is the responsibility of employees, employers, and individuals to reduce corruption in an organisation. The Prime Minister of Malaysia, Tun Dr Mahathir Mohamad in the "2nd War on Corruption Symposium" mentioned that the main factors involved in corruption are leadership, culture, religiosity, integrity and employee compensation (Mahathir, 2015). Kol Preap, Executive Director of Transparency International Cambodia, also supports this statement. Furthermore, every year, according to the President of

Transparency International (TI) Malaysia, Datuk Akhbar Satar, on account of corruption, Malaysia's GDP declined by 5%.

Nowadays, the religiosity and spirituality factors get a more attention among scholar to conduct a study toward corruption. This is because, religion and spirituality are one of the factors that can influence human behaviour and actions. Abuse of power by breaking the rule, regulation and policies will increase the corruption cases in the organization and its effect on growth, inflation, investment and innovation and it is rejected by all religions (Shadabi, 2013). In the contact of religion, Samanta (2011) reported that religion, especially Islam, has a positive effect in OPEC countries and leads to less corruption. Further, Ashmos and Duchon (2000) addressed spirituality in the workplace associated to two aspects: individual experience and organizational environment. It means that religion and spirituality is an importance factor that will lead the individual to become more integrity, accountability, transparency and responsibility.

3. Research Questions

1. What is the effect of religiosity on corruption risk in Malaysia public agencies?
2. What is the effect of spirituality on corruption risk in Malaysia public agencies?

4. Purpose of the Study

1. To determine the effect of religiosity on corruption risk in Malaysia public sector.
2. To examine the effect of spirituality on corruption risk in Malaysia public sector.

5. Research Methods

This study was conducted in Kedah, Perak, Selangor, Johor and Pahang that is located at the peninsular of Malaysia. The questionnaire was distributed into 10 different public organization which are Road Transport Department, Public Work Department, State Land Office, District Council, Municipal Council, Forestry Department, and Royale Malaysia Police, health department, immigration department and district and land office. 482 questionnaires were returned back with 60.3% responses rate. Selection of samples for this study was based on the stratified random sampling technique. Through this technique, the population is divided into strata, and in each stratum, simple random sampling was used to select the respondents.

6. Findings

This section presents the results of the study. Firstly, tested the convergent validity, which is the degree to which multiple items to measure the same concept are in agreement. Next, to test the discriminant validity in which the measures are not a reflection of some other variables and it is indicated by the low correlations between the measure of interest and the measures of other constructs (Cheung & Lee, 2010). Discriminant validity can be examined by comparing the squared correlations between constructs and variance extracted for a construct (Fornell & Larcker, 1981). Finally, we used the Cronbach's alpha coefficient to assess the inter-item consistency of our measurement items (Nunnally & Bernstein, 1994).

6.1. Construct validity

In construct validity, there are two types of analysis than can be used to assess the construct validity which are convergent and discriminant validity. Firstly, the analysis of loading and cross loading is necessary to assess if there are problems with any particular items. Factor loadings cut-off value at 0.5 as significant (Hair et al., 2010). From Table 01 each item measuring a specific construct are highly loading value compared to other construct.

Table 01. Cross Loading

Variable	Item	Corruption	Religiosity	Spirituality
Corruption Risk	CR_1	**0.773**	0.257	0.296
	CR_10	**0.778**	0.214	0.27
	CR_2	**0.817**	0.259	0.297
	CR_3	**0.807**	0.432	0.495
	CR_4	**0.835**	0.27	0.329
	CR_5	**0.772**	0.196	0.239
	CR_6	**0.79**	0.259	0.278
	CR_7	**0.684**	0.433	0.416
	CR_8	**0.835**	0.297	0.344
	CR_9	**0.843**	0.227	0.291
Religiosity	Relig_1	0.272	**0.74**	0.385
	Relig_2	0.299	**0.727**	0.41
	Relig_3	0.352	**0.774**	0.433
	Relig_4	0.248	**0.719**	0.373
	Relig_5	0.156	**0.677**	0.352
	Relig_6	0.252	**0.769**	0.408
	Relig_7	0.343	**0.806**	0.504
Spirituality	Spi_1	0.349	0.485	**0.73**
	Spi_10	0.315	0.365	**0.735**
	Spi_3	0.331	0.427	**0.718**
	Spi_7	0.272	0.318	**0.666**
	Spi_8	0.204	0.29	**0.609**

6.2. Assessment of measurement model

In order to assess the measurement model, it is important to look at the item loading, and average variance extracted (AVE). Based on the suggested by Anderson and Gerbing (1988), Bagozzi et al. (1991), Gefen and Straub (2000), the item loading must be exceeding the minimum 0.50. Thus, based on the Table 02, The result represents the item loading more than 0.50 and the internal consistency was achieved. Next, for the AVE value, the suggested cut-off based on (Henseler et al., 2009; Rodgers & Pavlou, 2003) is 0.50. Based on the AVE value, all the variable value meets the minimum criteria of 0.50. However, it can be accepted because according to Fornell and Larcker (1981), if AVE is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the construct is still acceptable. The detail of the measurement models is presented in table 02 and figure 01.

Table 02. Result of Measurement Model

Variable	Item	Item Loading	AVE
Corruption Risk	CR_1	0.773	0.632
	CR_10	0.778	
	CR_2	0.817	
	CR_3	0.807	
	CR_4	0.835	
	CR_5	0.772	
	CR_6	0.79	
	CR_7	0.684	
	CR_8	0.835	
	CR_9	0.843	
Religiosity	Relig_1	0.74	0.556
	Relig_2	0.727	
	Relig_3	0.774	
	Relig_4	0.719	
	Relig_5	0.677	
	Relig_6	0.769	
	Relig_7	0.806	
Spirituality	Spi_1	0.73	0.48
	Spi_10	0.735	
	Spi_3	0.718	
	Spi_7	0.666	
	Spi_8	0.609	
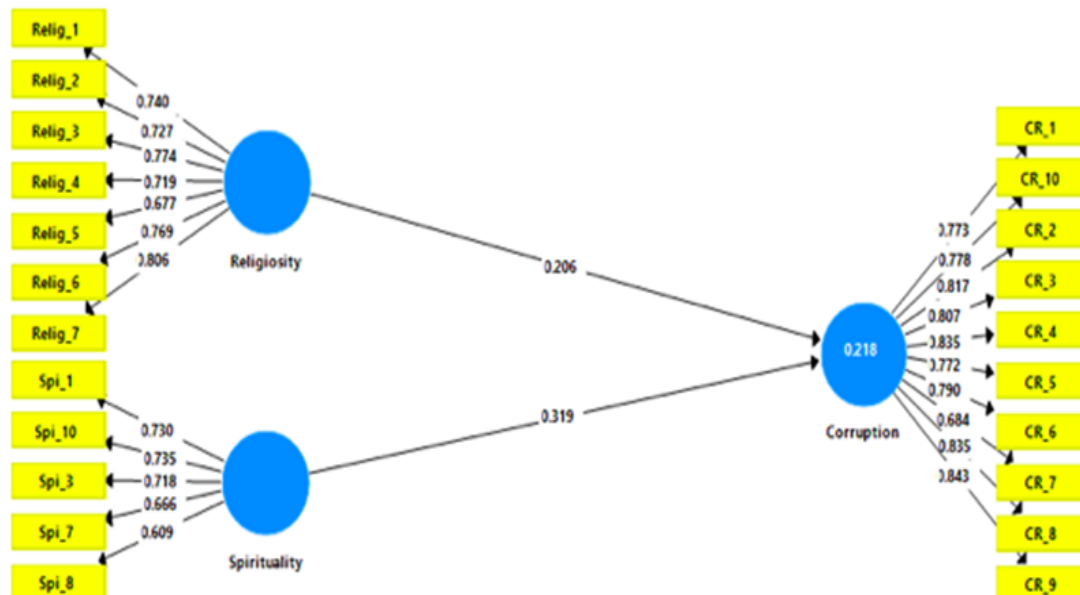
Figure 01. Assessment of Measurement Model

Table 03 present the discriminant validity. Based on Chin, 2010; Komiak and Benbasat, (2006), the value of AVE was testified against the inter-correlations between the constructs in the research model and

it squarely rooted. The discriminant (Bold) must be greater than the other construct as suggested (Chin, 2010). Hence, based on the table 03, the measurement model for this study was satisfactory achieved.

Table 03. Discriminant validity of construct

	Corruption	Religiosity	Spirituality
Corruption	**0.795**		
Religiosity	0.384	**0.746**	
Spirituality	0.434	0.555	**0.693**

6.3. Reliability

Table 04 represent the result of reliability test which is focus on composite reliability and Cronbach's Alpha. As suggested by (Cronbach, 1951; Chin, 2010; Hair et al., 1998; Requelme & Rios, 2010), the minimum cut-off point is 0.70 and above. Hence, based on the reliability result, it shows that, the internal reliability was ranged between 0.821 to 0.945.

**Table 04.** Result of Reliability Test

Variable	Loading Range	Composite Reliability	Cronbach's Alpha	No. of Item
Corruption Risk	0.684 -0.843	0.945	0.936	10
Religiosity	0.677 - 0.806	0.897	0.868	7
Spirituality	0.609 - 0.735	0.821	0.733	5

6.4. Assessment of Structural Model

Table 05 present the results of the hypotheses testing. Result presents that religiosity and spirituality are positively significant towards corruption risk with t-value for both variables are exceeded 1.96 which is 3.577 for religiosity and 5.089 for spirituality. The result in table 05 indicated $R^2 = 0.218$ or 21.8% and it represents that religiosity and spirituality factors considered low and positively correlated with the corruption risk. Therefore, it represents a low contribution to the dependent variable. Then, the structural model analysis is presented as figure 02.

Table 05. Hypothesis Testing

	Original Sample	Standard Error	T-Values	P-Values	R2	Q2
Religiosity -> Corruption Risk	0.206	0.058	3.577	0	0.218	0.112
Spirituality -> Corruption Risk	0.319	0.063	5.089	0		
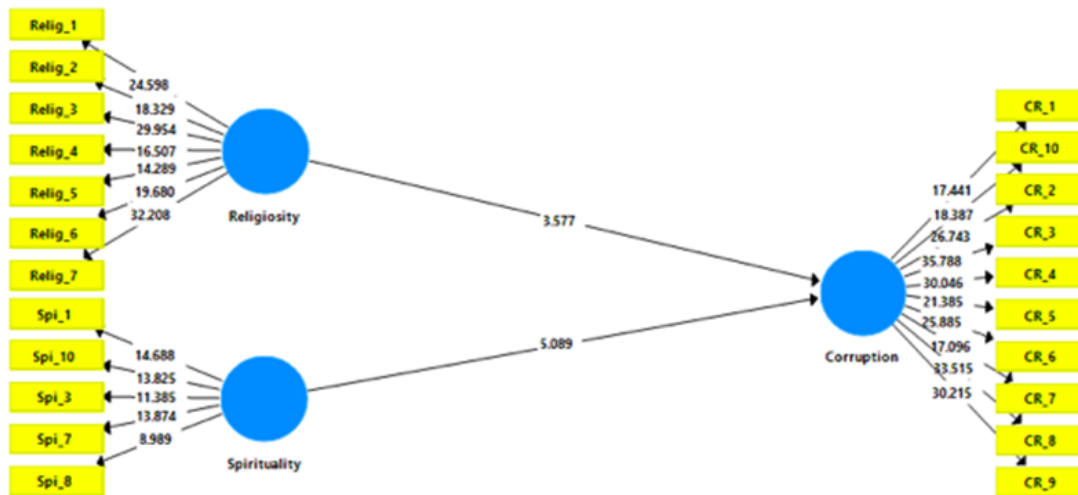
Figure 02. Structural Model Analysis

7. Conclusion

Corruption issues is one of the problems that need to give more comprehensive attention from all level of management. In order to mitigate the corruption issues, a lot of factors had been used by scholar. Based on the result of this study, it shows that, religiosity and spirituality are factors that need to give a deep consideration in order to reduce a corruption risk among the employee in the organization. Based on the result of this study, there is significant effect between religiosity and spirituality toward corruption risk. This result supported by Gouda & Park (2015) reported that the effect of religiosity on the acceptance of corruption is statistically significant by individuals and the effect is small. A good understanding of the religion of an individual, either directly or indirectly will hold an individual from acts that are prohibited by rules. Religion can be a filter that will prevent an individual from committing fraud (Purnamasari & Amaliah, 2015). Good understanding and practices of religion will increase the level of spirituality among employees. For example, the Islam-based religious intervention method is a mixture of cognitive, emotional, behavioural and spiritual method taken from Quranic Verses and narrative of the Infallible Imans. When people face with difficulties, prayers and recitation of the Quran and thanksgiving and forgiveness help them to cope with difficulties and more health (Samadi & Rahmani (2015).

By promoting intra-group trust instead of inter-group trust (Berggren & Bjornskov, 2011), increased religiosity could indirectly lead to higher acceptance of corruption. At the same time, increased religiosity should also lead individuals to be more strongly bound by anti-corruption religious norms (Gouda & Park, 2015). It means that, to fight corruption, it not only the initiative by the organization, but it needs to start with the individuals itself. Religiosity and spirituality are closely to the individual in order to build a good human in various aspect such as ethical, behaviour, moral conduct and action. It not only for the organization, but it also involved in our daily life. So that, by strengthen the value of religious in every individual, it will increase the capability to reduce a corruption risk in the organization. Hence, it is important for the organization to improved and revise the training program by including the religiosity and spirituality module in improved the quality of external and internal value of employee. The increase level of religiosity and spirituality, it also will change the organization culture in positively.

7.1. Limitation and Direction for Future Research

Same as other studies, there are some limitations during the development and implementation of this study. First, this study was cross-sectional in which the data were collected in a limited time frame. Second, in term of participation of respondent, huge numbers of respondents are from low and middle level of management. Suggested that, for the future research, to conduct a study that focusing on the participation from the top level of management may provide more accurate results for this study.

Acknowledgments

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