

# A decade of corruption studies in Malaysia

Corruption  
studies in  
Malaysia

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## Abstract

**Purpose** – In December 2013, the World Bank had declared that, in the developing world, corruption is the No.1 public enemy. True, Malaysia has been swayed by the endless corruption scandals from the upper classes to the subordinates, in public as well as private sectors. As a country that is moving towards being a developed country in 2025, the Malaysian Government has been working hard to overcome corruption through various plans and initiatives. Thus, the purpose of this paper is to highlight on Malaysia's current initiatives and factors that had been found to be of significant importance by previous studies for combating corruption in Malaysia.

**Design/methodology/approach** – This study employed structured review process as well as critically examined the contents to ensure that the data are filtered from high-quality peer-reviewed journals. Twenty-five quality papers were selected from top journals of various areas to produce the list.

**Findings** – This paper contributes to the existing literature by providing a comprehensive list of factors in Malaysia in the fight against corruption.

**Originality/value** – This study will be beneficial to academics, policymakers and anti-corruption professionals interested in Malaysia's anti-corruption experiences.

**Keywords** Corruption, Anti-corruption initiatives, Governance, Malaysia, Southeast Asian Countries

**Paper type** Literature review

## Introduction

Due to the greed of several people engaged in mega-scandals, such as 1MDB, FELDA, MARA, SRC International, Sabah Water Department and Tabung Haji, Malaysia, has come under the spotlight to be labelled a kleptocratic nation ([National Anti-Corruption Plan, 2019-2023](#)). However, the failure of anti-corruption efforts in Malaysia is due to several reasons. The first reason is lack of political will by the country's leader. There are political leaders who do not walk the talk on corruption ([Siddiquee, 2010](#)). The second reason is the failure of anti-corruption initiatives to recognize factors of corruption in the nation such as the inability to be transparent in the procurement process by the public sector ([Kapeli and Mohamed, 2019](#)). Finally, the third reason is the lack of public support on the effort undertaken by the Malaysian government ([Kapeli and Mohamed, 2019](#)).



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Based on the statistics of arrests by the Malaysian Anti-Corruption Commission (MACC) between 2011 and 2018, the number of arrested had increased year after year. For example, Table I shows an increment in the number of public officials and civilians arrested from 2013 until 2018. This scenario illustrates the widespread of corruption problem in the country and MACC’s ongoing efforts to eradicate this activity to restore the confidence of the people.

The perception of global experts towards the country’s public sector corruption level can be referred to as The Corruption Perceptions Index (CPI), which is published annually by Transparency International since 1995. Based on the Malaysia Corruption Perception Index (CPI), as stated in Table II, the fight against corruption has seen improved in the CPI score from 43 in 2011 to 52 in 2014. This was due to increased private-sector cooperation in preventing corruption and unprecedented cooperation between important enforcement organizations (Xavier *et al.*, 2016). However, scores for 2017 and 2018 were similar at 47 points, a decline from 52 points in 2014. The scores might be influenced by the 1Malaysia Development Berhad (1MDB) scandal and other corruption cases occurred during the period.

Malaysian Anti-Corruption Commission Act 2009 does not define corruption, however according to the Act, any person who by himself or in conjunction with any other person

**Table I.**  
Number of  
individuals arrested  
by MACC

Year	Number of individuals arrested by MACC	
	Public official	Civilian (Private sector, General public, Politician, Others)
2011	323	595
2012	288	413
2013	170	335
2014	225	327
2015	398	443
2016	465	471
2017	409	470
2018	418	476
MID 2019	334	420

**Sources:** Data from MACC’s Statistic on Arrests; Various years

**Table II.**  
Malaysia’s  
corruption perception  
index

Year	CPI score (out of 100 points) (0 is highly corrupted, 100 is clean)	Overall Rank (i.e. 1 is the least corrupted, 180 is the most corrupted)	No. of countries assessed
2018	47	61	180
2017	47	62	180
2016	49	55	176
2015	50	54	167
2014	52	50	175
2013	50	53	177
2012	49	54	176
2011	43	60	183
2010	44	56	178
2009	45	56	180

**Sources:** Data from Transparency International; Various Issues

receives or agrees to receive [section 16 and 17 (a)], gives or offers any gratification [Section 17 (b)], use false claim (Section 18), or any officer of a public body who uses his position for any gratification for himself, his relatives or associate (Section 23) has committed an offence in accepting gratification. Gratification is an act of giving or receiving any gratification or reward in the form of cash for performing a task in relation to his or her job description (Kapeli and Mohamed, 2015). Examples of gratification listed in the Act are money, donation, gift, loan, financial benefit, employment, agreement to give employment, any discount, commission, bonus or any protection from any penalty. Besides that, according to Malaysian Anti-Corruption Commission (Amendment) Act 2018, Section 17a, a company is considered to have committed an offence if a person associated with the company, corruptly gives, agrees to give, promises or offers any gratification. Therefore, its director, controller, officer or partner or the management team at the time of the commission of the offence are deemed to have committed that offence unless being found otherwise.

According to the Global Economic Crime and Fraud Survey 2018, the three most common types of economic crime experienced in 2017 and 2018 were business misconduct, asset misappropriation, as well as bribery and corruption (PriceWaterhouseCoopers, 2018). Reported incidents of bribery and corruption had increased from 19 per cent in 2014 to 30 per cent in 2016 and 35 per cent in 2018. As such, it shows that some Malaysian organizations had appeared to be ambivalent in addressing the risks of bribery and corruption (PricewaterhouseCoopers, 2018).

However, generally concern level of Malaysians bribery is quite high. Latest findings show that Malaysians had ranked bribery and corruption as the second highest future concern (PriceWaterhouseCoopers, 2018). Thus, a lot more initiatives need to be done to regain the public's trust towards the government.

Table III shows the Malaysian Government's strategies and initiatives to combat corruption since 2004 until date. Several national initiatives have been made, beginning with the National Integrity Plan (PIN), which launched in April 2004. PIN's goal is to establish a society with high morale and ethics as being outlined in Vision 2020. The Government Transformation Programme (GTP) 1.0 continues the principal of PIN in 2010 through Anti-COR NKRA (Anti-Corruption National Key Result Areas). GTP 1.0 is aimed at addressing the corruption issue through programmes within the enforcement agencies, and also strengthened the government's procurement in an effort to minimize corruption incidents. However, the government's attempts and strategies in Malaysia appear to have met with little success (Siddiquee, 2010). This is due to a number of unrealized attempts in their execution. This is a lack of political will, in which is the main factor hampering the initiative that was then planned to tackle corruption, integrity and governance issues (Siddiquee, 2010).

GTP 2.0 continues the existing initiatives under the GTP 1.0 and is a mechanism for improvement and effective monitoring. As shown in Table III, several initiatives had been undertaken such as the development of the MyProcurement Portal, introduction of policies related to on Ministers' assets declaration, transformation initiatives of the Auditor General's Performance Audit Report and the upcoming introduction of anti-corruption syllabus into school textbooks.

Recently, the Malaysia Government has developed the National Anti-Corruption Plan (NACP) to achieve the aspiration of "Malaysia to be known for her integrity and not corruption" for the duration between 2019 and 2023. The NACP is an anti-corruption comprehensive plan and provides clear a focus that covers six Priority Areas: Political Governance, Public Sector Administration, Public Procurement, Corporate Governance, Law Enforcement and Legal and Judicial. From the six Priority Areas, the Plan further outlines

**Table III.**  
Malaysian  
government's  
strategies and  
initiatives to combat  
corruption in the  
country

Anti-corruption program	Period	Strategy
National Anti- Corruption Plan	2019-2023	<i>Strategy 1: Strengthening political integrity and accountability</i> Strategic objective 1.1: Reforming of electoral legislation and electoral systems 1.2: Ensuring better transparency and accountability in government's administration 1.3: Managing politicians' interference in public service and local authorities administration 1.4: Enhancing parliamentary authority and governance administration <i>Strategy 2: Strengthening the effectiveness of public service delivery</i> 2.1 Redesigning of public services towards good governance 2.2 Promoting merit and integrity in the process of recruitment, selection and appointment to positions 2.3 Strengthening local authorities accountability 2.4 Enhancing effectiveness of education and continuing professional development of public officers through human governance-based programs <i>Strategy 3: Increasing the efficiency and transparency in public procurement</i> 3.1 Strengthening public procurement framework 3.2 Greater procurement transparency, enabling better identification and mitigation of corruption risk, market distortion and anti- competitive behavior <i>Strategy 4: Enhancing credibility of legal and judicial system</i> 4.1 Improving institutional efficacy of the legal and judicial system <i>Strategy 5: Institutionalizing credibility of law enforcement agencies</i> 5.1 To enhance efficiency and adherence professionalism in law enforcement agency 5.2 High-priority technology needs for law enforcement 5.3 Strengthening law enforcement agencies 5.4 Improving law enforcement agencies' legislations <i>Strategy 6: inculcating good governance in corporate entity</i> 6.1 Greater transparency over who owns and control corporate entities 6.2 Greater corporate entities resilience against the threat of corruption Achievement of the anti-corruption NKRA according to GTP 2.0 report The MyProcurement Portal was set up to be the one-stop online procurement portal of the Malaysian government, which also publishes all government tenders and winning offers, to encourage transparency in government spending In order to create a more transparent and accountable Government, a new policy was introduced by the Delivery Task Force of the Anti- COR NKRA, which requires Special Officers to Ministers to declare their assets to their respective Ministers and to the Chief Secretary of the government With the intention of overhauling the oversight of Government expenditure, several transformation initiatives have been done in terms of the Auditor General's Performance Audit Report; (1) Reporting the Auditor General's Performance Audit Report at every parliamentary sitting to allow the relevant parties and members of the public able to scrutinize over the Government's expenditure and to provide timelier responses to issues of malfeasance
Government Transformation Program (GTP) 2.0	2012	

(continued)

Anti-corruption program	Period	Strategy
		<p>(2) Launch of the Auditor General's online dashboard for public to track the status of cases reported by the Auditor General</p> <p>For the purpose of scrutinizing specific issues and cases for further investigation, an Action Committee chaired by the Auditor General and attended by the MACC and other relevant enforcement agencies has been established</p> <p>In order to raise Member of Parliament's awareness and understanding of corruption related offences, penalties and consequences, Malaysian think-tank Institute for Democracy and Economic Affairs organized a training session for the Parliament Members</p> <p>So as to create a generation whom are aware of the problem of corruption, an anti-corruption syllabus will be introduced into school textbooks with the establishment of 27 anti-corruption secretariats at teachers' training colleges</p>
Government Transformation Program (GTP) 1.0	2010	<p>Malaysia's ranking on the Corruption Perception Index rose six spots from 60 to 54 in 2012. Key initiatives contributing to this improved performance include the enforcement of the Whistleblower and the Corporate Integrity Pledge initiative.</p> <p>The Government will adopting reforms to change the way political parties in Malaysia receive and manage funding to ensure the limitation of third-party access to those funds.</p> <p>The creation of Compliance Units in five enforcement agencies - The Malaysian Anti-Corruption Commission (MACC), Royal Malaysian Police Force (PDRM), Royal Malaysian Customs, the Road Transport Department and the Immigration Department. The compliance units will internally monitor the performance and behaviour of civil servants and enforcement officers, and refer them for disciplinary action if the need arises</p> <p>The Road Transport Department implemented its traffic Automated Enforcement System (AES) in August 2012 to reduce opportunities for petty corruption by removing the human equation from traffic enforcement activities</p> <p>Establishment of the Central Asset Management Corporation on behalf of the Government to handle seized property, preserve their value and prevent them from degrading.</p> <p>The Whistleblower Protection Act 2010 was implemented in 2011 to establish a safe atmosphere for whistleblowers, representing a fresh piece of legislation protecting the freedoms and identifying individuals reporting corruption cases.</p>
National Integrity Plan (PIN)	2004 - 2008	<p>Target 2008:</p> <ol style="list-style-type: none"> <li>1. Effectively reduce corruption, malpractices and abuse of power</li> <li>2. Increase efficiency of the public delivery system and overcome bureaucratic red tape</li> <li>3. Enhance corporate governance and business ethics</li> <li>4. Strengthen the family institution</li> <li>5. Improve the quality of life and people's well-being</li> </ol>

**Sources:** National Anti-Corruption Plan (2019); National Integrity Plan, 2004; Government Transformation Programme (2013)

**Table III.**

the six strategies (refer to [Table III](#)). These strategies then lead to 17 Strategic Objectives, which then produced 115 initiatives to be introduced over the next five years.

According to the above discussion, Malaysia has suffered a decline in the control of bribery in the public sector over the past ten years. Indeed, referring to the CPI – the global perception on government sector decreased year after year. There have been a lot of initiative, but the resolving of the situation does not exist. As such, what are the factors that can assist the government of Malaysia in addressing this problem of corruption? Studies on previous research are being conducted in this respect to identify factors that can assist in tackling corruption cases in Malaysia. To achieve this, this article synthesizes a cross-disciplinary literature review of 25 articles from peer-reviewed and trusted publishers and presents a comprehensive picture of corruption and anti-corruption research in Malaysia.

**Methods**

At the beginning, keywords used in the search engine included “corruption, Malaysia” and “Integrity, Malaysia”. Search engines such as Google Scholar had been used for the initial search. The keywords’ searches were restricted to the title of the paper. Initially, the result of the search included conference papers, books and books chapter, but later excluded them from our consideration. Initially, quite a number of publications had been obtained through combinations of keywords of “corruption, Malaysia” and “Integrity, Malaysia”. [Table IV](#) represents the result of initial searches of Google Scholar.

Further refinement was then performed to remove insignificant reports, thesis, commercial magazine papers, non-refereed articles and those with unknown author names. In the end, 25 journal articles were critically selected from peer-reviewed and trusted publishers for our evaluation; these articles were published between 2003 and 2019.

**Research findings**

*Perception towards integrity practices among public officials*

[Hafiz et al. \(2015\)](#) had assessed the perception of public officials from federal ministry towards elements of integrity on the practices in FA department or agency. The findings had provided the evidence on the level of integrity outcomes of the Malaysian Public Sector. The average score for each integrity system were all above mid-points. Therefore, indicating Malaysian Public Sector is serious in promoting integrity system.

For example, public officials mostly agreed on the integration of ethics and integrity in organizational operation. They also agree on transparency promotion of activities. Moreover, they agreed on ethics training for effectiveness and frequently benchmarked for ethics and integrity. Thus, generally we can conclude that there is positive acceptance on integrity practices among public officials.

*Individual factors and corruption*

The number of previous studies investigating the influence of individual personality on corrupt practices for scenarios in Malaysia is still limited. Recent studies conducted in Malaysia have found that there are several factors causing an individual to commit a bribe.

**Table IV.**  
The initial result of  
search in google  
scholar

Keywords	Results
Corruption, Malaysia	72
Integrity, Malaysia	58

One of the factors is individual aspect. According to [Othman \*et al.\* \(2014\)](#), a person who has the power will be more vulnerable to corruption. There are three categories of power, namely, political power, authority power and controlling power. In addition to power, one will also commit a bribe when he has the opportunity to do so. In fact, opportunities will exist when one has power. Hence, a person with great political influence has more opportunities to commit corruption. In addition, corruption is much more practiced by people with low moral values, less integrity, selfishness and greed ([Othman \*et al.\*, 2014](#)).

Another study by [Nordin \*et al.\* \(2013\)](#) found behavioural factors such as desire and intention to corrupt can lead to corruption. Behavioural factor such as the desire to corrupt is a very strong emotional state for bribery. Meanwhile, intention is a mental state that is heavily influenced by desire. Nevertheless, the intention can be controlled if there are aspects such as motivation, law, rules and good values in an individual. Therefore, as a measure to eradicate corruption, every individual's needs are to be developed with positive values, as well as practice moral and ethical standards, with accountability and integrity.

To control the activities of corruption, and to create individuals of value, organizations should also take appropriate action on individuals involved with corruption. For example, [Ghazali \*et al.\* \(2014\)](#) examined the occurrence of fraud and identified the prevention programs emplaced at the State and Local Government entities in Malaysia. The study found that, in most cases, management did not take firm action against the culprits when they are caught and found guilty. Most fraud incidents were discovered through internal audit review, employee notification and accidental discovery. These entities did not take firm action as they do not have effective policies and procedures in dealing with fraud. Therefore, to control actions of individuals, an organization plays an important role in establishing and implementing the organization's regulation and code of ethics.

#### *Economy development and corruption*

Based on the conventional view, corruption is an impediment to the economic growth of a country. There are not many past studies conducted in Malaysia that examine the linkages between economic development and corrupt practices. However, there are several studies that did comparisons between countries, i.e. in terms of economic growth and corruption perception index. For example, [Huang \(2015\)](#) studied whether corruption is bad for economic growth in the Asia-Pacific countries. Interestingly, [Huang \(2015\)](#) found that the high level of corruption perception in South Korea had caused an increase in economic growth. Moreover, economic growth in China appears to have a significant positive effect on corruption, indicating that an increase in economic growth leads to an increase in corruption. Therefore, many anti-corruption campaign and initiatives have been done by the Chinese Government to control corruption practices ([Zhang \*et al.\*, 2019](#)). Meanwhile, according to the study, there is no significant relationship between corruption and economic growth for Malaysia. These findings probably provide the reason for limited adoption of anti-corruption policies as means to promote economic development.

Another example [Rock and Bonnett \(2004\)](#), examined the relationship between corruption, economic growth and investment in East Asian Countries. This study found that corruption is more damaging to small developing countries' investment and economic growth such as Malaysia, Singapore and Hong Kong compared to large developing countries. Besides, a country should ensure that its environment is appropriate for investment. This is because it is important for the host country to reduce corruption because this effort will be able to increase the Foreign Direct Investment ([Brada \*et al.\*, 2019](#)). That is the reason why governments in small developing countries adopt strong anti-corruption programs.



*Organizational culture, religious and corruption*

Based on the above discussion, we have learned that factors such as individual attitudes and economic developments can affect corrupt practices. Nonetheless, previous studies also had found that organizational factors such as organizational culture and religious faith affect corrupt practices. For example, [Kirana et al. \(2015\)](#) studied the relationships between organizational culture, religious and corruption among Gen Y (who are less than 34 years old) in Malaysian public organizations' setting. The findings show that organizational culture such as shared values, beliefs and norms, as well as personal strength of religious faith, had a positive influence on corruption control. Thus, the findings revealed that employees' religiosity and organizational culture play a significant role in determining corruption among Gen Y employees. These findings should capture the attention of public organization management on the importance of positive organizational culture and development of religiosity awareness among employees.

*Political leadership power and corruption*

[Ahmad Khair et al. \(2015\)](#) argued that a prime minister or an autocrat who has personalisation of power with neoliberalism ideologies will influence corruption practice in his country. Actions that can be considered under personalisation of power are such as commandeering the power of an existing institution for personal purposes, prevent competition leadership position by modifying rules and regulations as well as creating new organisations to demand for existing organizations to take on entirely new tasks to stop the legacy of the previous regime. Whereas neoliberalism ideology is the role of the authorities in preventing the movement of capital and the distribution of wealth to a more just and equitable social ([Ahmad Khair et al., 2015](#)).

[Ahmad Khair et al.'s \(2015\)](#) study has provided evidence of how an aspired autocratic leadership can strengthen personalized power and weakened the fair infrastructure. This in turn facilitates the production of corruption on both the demand and supply side. The study had chosen Perwaja Steel as their case study. This is because it was one of the largest scandals at that time when personalization of power had just started to develop. The study found that elite politicians who exercise their power by spending the country's assets to save a state-owned company and converting economic regulations and strengthening of their and their cronies' power are factors that contribute to corruption in the country. Therefore, if the autocratic leadership is not tackled, then corruption in the country will continue ([Ahmad Khair et al., 2015](#)).

**Mitigate corruption**

This section will discuss previous studies' findings on factors that are able to mitigate corruption in Malaysia. Even though the number of studies on anti-corruption in Malaysia is still small, the studies provide a sufficient preliminary picture of factors that can enhance anti-corruption efforts. Previous studies had identified key points in executing anti-corruption efforts, and these include reporting anti-corruption activities, having good governance, technology utilization, accrual accounting implementation, ethical procurement process, social media freedom, whistleblower support, as well as several other factors.

*Anti-corruption practices' disclosure*

The disclosure practice of anti-corruption initiatives in companies is one of the corruption prevention strategies ([Joseph et al., 2016](#)). Companies usually disclose their anti-corruption practices as activities of corporate social responsibility in their annual reports. This is because combatting corruption is considered as one of the corporate responsibility agendas.



However, [Joseph et al. \(2016\)](#) found that Malaysian companies had been disclosing less anti-corruption practices in their annual reports compared to Indonesian companies. Examples of information to be disclosed are disclosures on accounting for combatting bribery, board and senior management responsibilities, disclosure on building human resources to combat bribery, responsible business relationships, external verification and assurance, codes of conduct and whistleblowing.

The disclosure of anti-corruption practices (ACP) is still in its infancy in both countries. The most reported items: anti-corruption codes of conduct and whistle-blowing practices. Indonesian companies disclosed greater amounts of ACP information compared to Malaysian companies. This is possible because there is a higher level of coercive pressure to disclose ACP information in Indonesia compared to Malaysia.

Thus, they suggested on reasons probably faced by Malaysian companies that contribute to low disclosure of anti-corruption practices in annual reports compared to Indonesian. The first reason is generally the lack of transparency in government's procurement process. The second reason is the tendency for corruption to occur without penalty or punishment may take place in the complexity of the relationships between politics and the public and private sectors. Since anti-bribery disclosure in the annual report is not mandatory, the level of disclosure is also weak.

Besides disclosure in annual report, [Joseph et al. \(2019\)](#) examined the extent of the integrity framework information disclosure on Malaysian and Indonesian local authorities' websites. The information that should be disclosed on their websites is based on the Integrity Framework Disclosure Index (IFDi). Examples of the information are as follows: the Definition of Integrity, Objectives, Integrity Policy, Integrity Commitment, Elements in Code of Ethics, Scope and Responsibility, National Integrity Plan, Strategic Action Plan, Strategic Integrity Approach, Vision, Mission, Integrity Reporting Channel/Integrity Unit and Type of Activities. The study found that the average number of website disclosure for Indonesia was 29 items out of 47 items under study, as compared to just four items disclosed in Malaysia. The few reasons for the low website disclosures by the Malaysian councils include: lack of information technology capitalization to disclose integrity framework information, lack of coercive factors (educated stakeholders), different state policy relating to information technology and lack of personnel to manage the websites, lack of support from the top management and political competition.

Under the institutional theory, it seems that the managers of Malaysian local authorities need to improve their integrity disclosure on the websites. This will show how they apply the integrity behaviour as trusted authorities in providing public services. It is important that the managers of Malaysian local authorities to improve their integrity through the disclosure of this information on their websites. Additionally, at the same time, this will help support the nation's quest in achieving sustainability. Disclosure of this information signifies transparency, which enables them to improve their credibility in the public eye.

#### *Factors of good governance*

Another factor that could influence the anti-corruption implementation is good governance. [Said et al. \(2016\)](#) in their study in Malaysia, found that most of the factors of good governance practices, such as risk management, quality performance, financial resourcing, HRM and infrastructure and facilities, do not have a statistically significant influence on the practices of integrity. Practicing these factors of good governance has no influence on the practice of integrity system. Thus high level of corruption as well as fighting corruption within the society may have no significant differences with respect to most of the strategies and campaigns.

Previous study had found that in controlling corruption activities, there is a need to improve the governance environment in Malaysia's public services. According to [Abdullah et al. \(2018\)](#), good governance environment had been found to be an important factor that enhances the ability to assess corruption risk in public institutions in Malaysia. The ability to effectively assess corruption risk effectively is important. This is because it will allow preventive and proactive mechanisms to be adopted to combat corruption. There are three good governance environment elements being found to be positive and significantly enhance the effectiveness of corruption risk assessment effectiveness. The first is the enterprise governance. The study found that if the management team is more committed towards company's mission and vision, the ability to assess corruption risk will be higher. The second one is the availability of good data governance, where it provides value on the information and enhances the capability to detect any corruption and manipulation. The third one is good human governance, in which it helps to develop moral culture in achieving all organizational goals, visions and missions,, thus enhancing their effectiveness in assessing corruption risk.

#### *Accrual accounting*

Accrual accounting system is one of the potential ways to improve governance and anti-corruption. There is a great expectation that accrual accounting will be adopted to assist in the reinforcement of anti-corruption initiatives in Malaysia's Government departments and agencies. In Malaysia's context, the implementation of accrual accounting in government sectors is as a component of the GTP's general package that seeks to increase global trust. [Ferry et al. \(2018\)](#) found that it is able to increase trust in the legitimacy of government, as well as promote social unity for socio-economic development among multi-racial communities. Accrual accounting is an operating management tool that needs to be implemented ethically. Hence, effective policies and regulations are necessary to ensure that the original purpose of the implementation of accrual accounting among these public sector departments is achievable.

#### *Ethics in project procurement*

Public procurement is one of the areas that might be exposed to risks of being corrupted and thus it needs a serious attention from the government. [Ishak and Said \(2015\)](#) explored how the principles of anti-corruption initiatives, which consist of legal and regulatory, transparency, accountability and integrity, could reduce lobbyist involvement in the e-procurement system. [Ishak and Said \(2015\)](#) found that the principles to be relevant and important in reducing the involvement of lobbyists. The combination of the principles in the system is needed to ensure that the lobbyist involvement remained very minimal. In addition, it helps to build and increase public trust and the people's confidence level towards the management of public funds by the procurement officers in the public sector. The participants in the study held the belief that the level of corruption in the public procurement activities would be reduced if such principles are present within the electronic procurement system.

#### *Social media*

According to [Jha and Sarangi \(2017\)](#), in Malaysia, internet is important in creating a free speech environment. However, there are vague and flexible security laws to intimidate bloggers and thereby suppress anti-government ideas from spreading over the internet. [Jha and Sarangi \(2017\)](#) studied the implications of communication technology (i.e, social media -

proxied by Facebook) for corruption. They ran cross-country analysis of over 150 countries (including Malaysia), and found statistically significant negative relationship between Facebook penetration (a proxy for social media) and corruption. Therefore, access to information has been shown to be an important tool in reducing corruption. The study found in a country where the social media is not of importance, thus government corruption incidences are unlikely to be reported, therefore the level of corruption is high in the country. For a country

#### *Whistle-blowing practice*

Whistle-blowing is a very significant consideration in organizational prevention of corruption and fraud. While there is a law to promote whistleblowing procedures, the end result of whistleblowing demotivates employees from reporting of exploitative conduct. Said *et al.*'s (2017) studied the influence of job satisfaction, fair treatment and cooperatives on the whistleblowing practice in Malaysian Government Linked Companies. The findings of the study revealed that only fair treatment is statistically significant and positively related to whistleblowing practice. The findings imply that if employees perceive that the organization provides fair treatment in terms of career advancement, awards, training, performance appraisal, job assignment and pay increases, they would tend to report wrongdoing activities to protect the image of the organization. Consequently, the results highlighted the importance of the organization to treat staff fairly to encourage them to do their work ethically.

#### *Corruption detection methods*

Effective techniques for detecting bribery are essential because they can detect employee misconduct. Othman *et al.* (2015) defined techniques for detecting and preventing fraud and corruption in the Malaysian public sector and their perceived efficacy from the perspective of accountants. The outcomes from the study show that operational audits, enhanced audit committees, improved internal controls, implementation of fraud reporting policy, staff rotation, fraud hotlines and forensic accountants are among the most effective fraud detection and prevention techniques used in the public sector.

#### *Other factors*

In addition to the factors discussed above, these factors such as culture, participation of women in politics and duration of education are probably able to reduce corruption in a country. The study results of Jetter and Parmeter (2018) indicate that cultural factors are largely irrelevant, whereas particular economic and institutional characteristics matter. As significant determinants of reduced rates of corruption, they discover proof of government effectiveness, urbanization and women's share in parliament. They also discovered that, for developing countries, the extent of primary schooling entry as a powerful factor that able to reduce corruption.

#### **Conclusion**

Efforts to combat corruption are an important topic in academic research and public sector practice. Based on a systematic review of 25 articles on corruption and Malaysia's context between 2003 and 2019, this study shows that there are several factors capable of promoting corruption practices and mitigating corruption in the Malaysian environment. This study's findings can trigger new ideas for future study.

This study reveals the following findings.

- There is minimal empirical research studying corruption and anti-corruption in Malaysia. Due to the small number of empirical study in Malaysia's context, it is essential to improve empirical research.
- Negative person and behavioural character (Nordin *et al.*, 2013; Othman *et al.*, 2014), as well as power personalization among political leaders with ideologies of neoliberalism (Ahmad Khair *et al.*, 2015), are the factors for corruption in emerging nations such as Malaysia.
- The relationship between corruption and economic growth was found to be insignificant in Malaysia's context (Huang, 2015).
- In the annual reports (Joseph *et al.*, 2016) and on their websites (Joseph *et al.*, 2019), Malaysian companies should enhance their disclosure of anti-corruption procedures to demonstrate to the public on their dedication of combating corruption.
- Good governance is important for anti-corruption implementation, but several good governance practices such as risk management, quality performance, financial resourcing, HRM and infrastructure have no significant impact on integrity practices for Malaysian organizations (Said *et al.*, 2016). The organizations should therefore discover reasons for the failure and the government should reinforce policies and regulations (Clarke, 2004).
- The government sector should use the accrual accounting system to improve governance and to assist in reinforcing anti-corruption initiatives.
- E-procurement system should be implemented widely in the Malaysian public sector to reduce lobbyist involvement and to enhance transparency, accountability and integrity.
- In Malaysia, the internet is crucial in creating the atmosphere of freedom of expression. However, with the flexible legislation to intimidate blogger, this suppresses the spread of anti-government thoughts over the internet (Jha and Sarangi, 2017). It therefore demonstrates that social media or internet can become the medium of communication in Malaysia and be capable of spreading the knowledge of corruption. Malaysia's context, social media or internet can become the medium communication means and able to disseminate corruption awareness.
- Organizations should support whistleblower and implement corruption detection techniques that able to detect fraud and prevent fraud from happening.

This study's major limitation is the small number of available empirical papers in this area of research. The results may be biased for generalization reasons due to restriction in the sample size. Therefore, more empirical studies are needed to understand factors that can decrease the society and the organization's corruption.

Despite the limitation, this study contributes to the understanding of the importance of several factors discussed above, in which they help to eradicate the corrupt phenomenon from spreading and becoming society's culture. Corruption culture needs to be braced as it will trigger other financial misconducts such as earnings management, accounting fraud, option backdating, and opportunistic insider trading (Liu, 2016) as well as destroy the nation's integrity (Langseth *et al.*, 1997).

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