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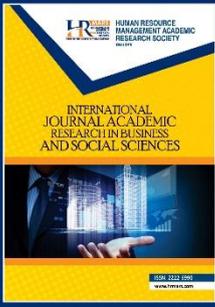
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Students' Perceptions toward Corruption: Malaysian Evidence

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Abstract

Corruption devastates society and the country, stifling economic growth and increasing poverty. As the nation's hope, university students play a vital role in the fight against corruption. However, prior studies on the perceptions of students against corruption especially in the Malaysian context are very limited. Thus, this study aims to investigate perceptions toward corruption among students of higher education institutions in Malaysia. Using questionnaire survey of 115 undergraduate program students, the findings indicate that most of them aware of corruption especially on the legal impact of the corruption activities. However, the results reveal that most of students recognize a corrupt act when such activities involve a considerable sum of money or expenditures. Receiving amusement fees, gifts, and kickbacks to increase transaction efficiency are still acceptable. Findings of this study shed light to policymakers and university administrators who have a keen interest in mitigating corruption in higher education institutions.

Keywords: Corruption, Malaysia, Student, Perception.

Introduction

Corruption is a phenomenon that is prevalent across the globe. Indeed, according to report issued by ACFE (2022), corruption represents the main occupational fraud with an average of 50% of fraud cases across industries and is considered as an important obstacle against social progress. As corruption is similar to a virus that can cause organisation distrust, it could have a negative impact on the development of the organisation and society. This could have a negative impact on the bureaucratic system; thus, corruption weakens society and should be avoided and minimised.

Similar to other countries, Malaysia has encountered many corruption cases involving renowned politicians, government officials, private and government company executives, white collar professionals, blue collar workers, and the normal public. Examples include the Bumiputra Malaysia Finance scandal in 1983, Pan-Electric Industries scandal in 1985, Deposit-taking co-operative scandal in 1986, Perwaja Steel scandal in 1980s, Maminco-Makuwasa

scandal in 1980s, Forex scandal in 1992-1993, Malaysian Airlines (MAS) financial scandal in 1994-2001, Port Klang Free Zone (PKFZ) scandal in 2007-2008, National Feedlot Corporation (NFC) scandal in 2010, 1Malaysia Development Bhd (1MDB) scandal in 2010, and the Felda Global Ventures scandal in 2017 (Durairaja et al., 2019).

As a result, the Malaysian government has made significant efforts to reduce corruption in the country. For example, the government has launched the National Anti-Corruption Plan (NACP) 2019-2023, with the goal of making the country free of corruption by 2023. The NACP was developed with practical goals based on the initiatives done by government and private agencies to address issues around corruption, integrity and governance for the coming five years. Despite the government's effort to fighting corruption in the country, Malaysia was ranked 61st out of 180 countries in the 2021 Corruption Perception Index (CPI), with a score of 52 out of 100 (Transparency International, 2022). The CPI index measures the public's opinion of official corruption in each country. The lower the CPI score, the greater the public view of the chance of Malaysian public officials being involved in corruption.

In order to eradicate the tradition of accepting and providing bribes, higher learning institutions should emphasise the importance of corruption research on future workforce (Isa and Abdullah, 2021). It is where our future leaders will be trained and developed. Ethical sensitivity must be developed early in life, not just when the individual enters the workforce. Given this, the main objectives of this study are as follow

- (i) to investigate undergraduate students' perceptions on bribery, kickbacks and gift giving at Malaysian higher learning institution.
- (ii) to investigate undergraduate students' perceptions on moral and negative nature of the censure of corruption at Malaysian higher learning institution.
- (iii) to investigate undergraduate students' perceptions on bureaucratic form of the censure of corruption at Malaysian higher learning institution.
- (iv) to investigate undergraduate students' perceptions on the status degradation of the censured towards corrupt official at Malaysian higher learning institution.

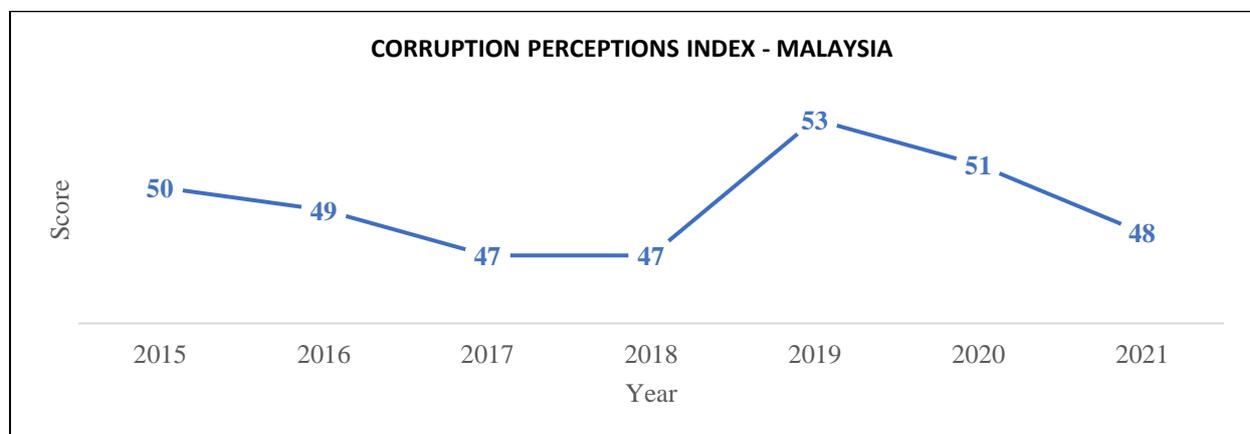
The remainder of the paper is presented as follows. The following section reviews the relevant literature on corruption perception. Third section provides a discussion on the research method. Meanwhile, the fourth section lays out the findings and empirical results. The last section concludes the study.

Literature Review

Corruption is the 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 (MACC, 2022). The term corruption represents misappropriate behavior such as bribery, nepotism, theft, and embezzlement. According to the MACC Act 2009 (Act 694), corruption can be classified into four main offences: soliciting/receiving gratification (bribe), offering/giving gratification (bribe), intending to deceive (false claim), and using office or position for gratification (bribe) (abuse of power or position). In addition, Juraev (2018) categories corruption into two main groups; grand corruption and petty corruption. Grand corruption is frequently connected with high-ranking public figures who might be detrimental to an economy's long-term health. For example, the influence of high-level position over the awarding of government contracts for the construction of new school may result in

unqualified companies controlled by high-level public official cronies receiving these contracts. Petty corruption, often known as bureaucratic corruption, involves low-level public officials who cause public benefit to be distorted. Example of petty corruption include bribery, embezzlement, and favouritism

In general, one measurement of corruption that widely accepted is the corruption perception index (CPI). The CPI uses a score from zero to 100 to rank countries based on how corrupt each country's public sector is perceived to be. A value of zero means that a country is perceived as highly corrupt a score of 100 means that a country is perceived as very clean. Furthermore, a country's rank indicates its position relative to the other countries included in the index. Since 2015, Malaysia's score has been dropping every year. In 2015, Malaysia was ranked 54 among 168 countries, with a score of 50, while in 2019; Malaysia was ranked 51 among 180 countries, with a score of 53. In 2020, Malaysia has scored 51 points down one place in the overall ranking of 179 countries to 57th place. Malaysia was ranked 62 among 180 countries in 2021, with a score of 48.



Source: Transparency International, 2020

Prior studies document various factors influencing student perceptions on corruption including demographic (Wotring, 2007), personality traits (De Bruin & Rudnick, 2007), and cultural attributes (Smithee, 2009). For example, Yahya et al (2015) examine the impact of organizational culture, and religious on corruption among 110 youth in public organization setting. Using instrument introduced by Jiang et.al (2012), the findings show that organizational culture and religious, positive, and significantly affect corruption. Toleikienė, et al (2020) aims to investigate the perceptions and attitudes of Lithuanian youth toward corruption. The findings reveal that the status of occupation, gender, the social status of the family and the civil and political activity significantly affect corruption intention. In Indonesia, Sihombing (2018) examines youth perceptions toward corruption and integrity. Data were collected among Indonesian youth through an open-ended questionnaire and in-depth interviews. The results showed that Indonesian youth defined corruption as taking away the rights of others. They stated that taking other people's money is an example of corruption. Isa and Abdullah (2021) investigate the intention of Malaysian students to commit bribery practices. The results of the study have shown that a link exists between social norms and perceived behavioral control with intent to commit bribery practices. Plopeanu and Homocianu (2021) analyzes the bribery acceptance propensity among 5072 students in economics of 7 universities from the Republic of Moldova and two Romanian regions. The

findings show that the desire to become an entrepreneur, anti-democratic attitudes, attitude towards the interventionist role of the state in the economy, nepotism, tax evasion behaviour, inherited sense of responsibility, altruism, and hard work, mother's faith in God, interpersonal trust and individual freedom affect bribery acceptance propensity.

Bernardi et al (2008) examines the association between a student's willingness to bribe a police officer to avoid being issued a speeding ticket with their views on inappropriate behavior of corporate executives. The sample of the study consists of 528 participants comes from Colombia (90), Ecuador (70), South Africa (131) and the United States (237). The result indicates significant differences between the views of the students from Colombia, Ecuador, and South Africa when compared to the views of the students from the United States. The analysis indicates that, for all four dilemmas, the most significant variable was the belief about how ethical it was to pay a bribe to avoid a traffic ticket.

Li et al (2022) examine the degree of guanxi (business network) between a giver and a recipient in China. The results largely supported the expectation that presents were more likely to be considered a bribe when guanxi utility was high.

Research Methodology

This study gathered data from questionnaires survey. The questionnaire attempted to gather perceptions on corruption from the students' perspective. The results yielded were grouped into several main segments or themes supported by the respondents' perception for each theme in order to reflect the study. The questionnaires were personally administered to undergraduate accounting students from one public university in Malaysia during the second semester of 2022 academic year. The administration of the questionnaires took place after explaining to the students the purpose of the study. To ensure voluntary participation and honest responses from the students, the students were assured of confidentiality and that their responses were to be used solely for this research. Out of a total of 300 questionnaires administered, 115 valid responses were used for the analysis, representing a response rate of 38.33 per cent.

The questionnaire consists of five parts. Part One gathered information on demographic characteristics of the respondents including gender, age and academic performance. Meanwhile, other parts (Part Two to Five) measure respondents' perception on corruption. Following Tian (2008), Part Two gathered information on perceptions toward bribery, kickbacks and gift giving. For Part Three to Part Five, the study adopted corruption perception attributes from (Jiang et al., 2013). In particular, Part Three measures corruption perception by the respondents on the moral and negative nature of censure of corruption directly or indirectly. Next, Part Four and Part Five of the questionnaire examines respondent perception on the bureaucratic form of the censure of corruption and status degradation of the censured respectively. To measures the corruption perception, the questionnaire using Likert scale. Likert scale of 1 to 5 is used to measure the responses; 1: Strongly Disagree, 2: Disagree, 3: Moderately Disagree, 4: Agree and 5: Strongly Agree.

SPSS analyses the data using descriptive statistic and factor analysis; and the results were interpreted accordingly. The questionnaire is tested on their reliability to ensure its consistency. The results, with Cronbach's Alpha of >0.7, showed that the questionnaire is consistent, as follows

Table 1
Questionnaire's Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Number of Items
.907	.905	27

Data Analysis and Findings

Demographic of Respondents

Personal data of the respondents are not gathered to respect their privacy as well as to encourage participation in the study and this fact is made aware to all potential respondents. 83.9% (103) of the respondents are female and 16.1% (12) are male. Even though the responders are overwhelmingly female, this is relatively representative of the gender in the accounting programme. The majority of the respondents are accounting students in their third and fourth semesters, which is also reflected in the demographics of the students chosen for the study.

Perceptions toward bribery, kickbacks and gift giving

The survey asked respondents about their attitudes toward bribery, kickbacks, and gift giving. This is to examine the respondents' perspectives and understanding of corruption, which includes bribery, kickbacks, and gift giving.

Table 2
Perceptions on bribery, kickbacks and gift giving

	Mean	Std. Deviation
Bribery has its reason to exist in business transactions.	2.339	1.2668
Bribery is violation of laws and corrosive.	4.387	.9810
I hate briber givers.	4.258	1.1865
I hate briber takers	4.113	1.1888
Kickbacks (illicit payment) are in fact a burden to consumers and will increase transaction cost.	3.871	.9664
Kickbacks (illicit payment) can raise the efficiency of transaction and promote business development.	2.871	1.3118
Almost all firms promote their products by paying the 'benefits fee' to sales companies; this rule can't be boycotted because of its widespread existence	3.500	1.0041
If I'm the decision maker of the transaction, I'll not refuse accepting gifts, whether I am wealthy or not.	2.774	1.4645
I'll accept the lodging, transportation, entertainment, travel, or other similar free entertainments provided by the firms because of my decision right.	3.210	1.2948
I will send gifts to customer companies occasionally to keep their orders	2.952	1.1794

From the survey, most students perceived the act of bribery is violation of laws and corrosive which ranked first (4.387). As depicted in Table 2, most students disliked briber givers and briber takers which ranked second (4.258) and second (4.113) respectively. Most students perceived kickbacks is a burden to consumers and will increase transaction cost which ranked fourth (3.871) of the survey. However, bribery as the 'benefit fees' in promoting firms' products is accepted by most students which ranked fifth (3.500). Due to its broad use, it also demonstrates that the "benefits fee" is acceptable.

The moral and negative nature of the censure of corruption

The purpose of Part 3 of the survey is to examine students' perceptions on the moral and negative nature of corruption. Table 3 presents the findings. Most students, as was to be expected, held similar opinions about the morality and unfavourable nature of corruption, like the results in Table 2. The views of hating corrupt behaviour (4.548) ranked first, do not want to be named as a corrupt official (4.452) ranked second and disliked people soliciting bribes (4.452) ranked third from the survey.

Table 3

The moral and negative nature of the censure of corruption

	Mean	Std. Deviation
I wouldn't like to have a colleague under investigation for corruption.	3.758	1.1830
I wouldn't like to be named as a corrupt official.	4.468	0.7622
I wouldn't like to make friends with people under investigation for corruption.	4.129	0.9318
I hate corrupt behaviour.	4.548	0.7395
I hate people soliciting bribes.	4.452	0.7395
Description of corrupt officials on TV is negative.	3.742	1.1443
Description of corrupt officials on the Internet is negative.	3.726	1.1618
Description of corrupt behaviour on TV is negative.	3.742	1.1865
Description of corrupt behaviour on the Internet is negative.	3.742	1.1726

The Bureaucratic form of the Censure of Corruption

Part 4 measures the bureaucratic form of the censure of corruption. The censure of corruption is achieved formally and officially through the apparatus of government. The Malaysian Anti-Corruption Commission (MACC) is established with the purpose to detect, investigate, and prosecute any corruption activities in Malaysia.

This area has consistent findings, with an average mean of 4.30, shows that most students aware of the legal impact to the corruptor such as being reported to MACC, investigated, prosecuted, faced trial in court and sentenced to imprisonment. The possible reason of this finding due to the widely publicised mega scandal cases includes 1Malaysia Development Berhad (1MDB) funds.

Table 4

The bureaucratic form of the censure of corruption

	Mean	Std. Deviation
Corrupt officials will be reported to the Malaysian Anti-Corruption Commission (MACC).	4.355	0.7703
Corrupt officials will be requested to confess at a designated place and time.	4.306	0.7807
Corrupt officials will be investigated by the procurator.	4.306	0.7807
Corrupt officials will be prosecuted by the procurator.	4.306	0.6675
Corrupt officials will face trial in court.	4.387	0.7543
Corrupt officials will be sentenced to imprisonment.	4.290	0.7764

Status degradation of the censured

Part 5 examines the status degradation of the censured towards corrupt official. The findings that most students agreed that the negative label of corruption have significant impact on the status of the corrupt official. The illegal income will be confiscated ranked first (4.419) and losing position ranked second (4.403). They may subject to lose their salary which rank third (4.387). These findings are consistent with the findings in Table 4 due to the effects of the bureaucratic form of corruption punishment.

Table 5

Status degradation of the censured

	Mean	Std. Deviation
Convicted corrupt officials will lose their position.	4.403	0.7780
Convicted corrupt officials will lose their original salary level.	4.387	0.7758
Convicted corrupt officials will not be respected.	4.145	0.9026
Illegal income of convicted corrupt officials will be confiscated.	4.419	0.7140

Conclusion

The purpose of this study is to investigate students' perception toward corruption. The significant findings include perceptions of bribery, kickbacks, and gift giving. These findings can be divided into three categories: law, personal view, and transaction costs.

Most students perceived corruption in terms of bribery being illegal. This finding is consistent with the survey's other findings. The reason for this finding is due the impact of highly publicised mega corruptions scandal such as 1MDB. The effect of law violated due to corruption such as court trial and imprisonment and negative publicity towards corrupt officials may increase the violation awareness among students. Personal views related to

detestation towards briber givers and takers are two significant findings after the law violation. These personal views may be resulted from the negative publicity in the media, directly creates the resentment towards the corruptor. Lastly, most students agree that the corruption activities will create extra costs such as transactions costs and the benefits fee, that will become a burden to the public.

Based on these findings, it is possible to conclude that most students are aware of the legal implications of corruption activities that are related to negative personal views of the corruptor. These findings, however, suggest that students recognise corruption when the activities involve a significant amount of money or costs. Other minor types of corruption, such as receiving entertainment fees, gifts, and kickbacks to promote transaction efficiency, are still acceptable.

This study is not without limitations. The limitation of this study is small size of sampling. Only one public university in Malaysia participated as the respondents in this research. Therefore, these findings might be unsuitable to be generalized to the whole population. For future research, it is expected to overcome this limitation.

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