

**Proceedings of Universiti Sains Malaysia
International Conference on Social Sciences 2015**

Touching Lives, Bridging Society

27 - 28 August 2015

Rainbow Paradise Beach Resort, Penang, Malaysia

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Perpustakaan Negara Malaysia

Cataloging-in-Publication Data

USM International Conference on Social Sciences 2015 – Touching Lives, Bridging Society / Hooi Hooi Lean et al.

eISBN 978-967-11473-3-7

1. Touching lives. 2. Bridging society. I. Hooi Hooi Lean.

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eISBN 978-967-11473-3-7



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Preface

A society and people in general have always been the major focus of any study in the field of social sciences. Given the conflicts, competition, pressures, tensions and differences that are prevalent and persisting around us in today's society, social scientists can have a great potential to touch the lives of all human beings in many different societies. By doing so, they too can bridge the gaps that are seen to be widening between and within societies today. The field of social sciences critically examines and analyses elements of human existence, their infinite combinations of interactions, their value systems, traditions, culture, options and choices and practices. This is reflected in a broad range of disciplines which include anthropology and sociology, development studies, economics, political science, psychology and social work.

The proceedings of this conference includes papers presented at the USM-International Conference on Social Sciences (USM-ICOSS) 2015 which was hosted with the aptly noble theme "Touching Lives and Bridging Society" and held from 27 - 28 August 2015 at the Rainbow Paradise Beach Resort, Penang, Malaysia. This conference is solely organized by the School of Social Sciences, Universiti Sains Malaysia (USM), Malaysia.

We had received a total of 159 academic papers from various institutions and organization from around the world where 45 papers were selected and accepted for inclusion in these proceedings. The proceedings are now compiled and presented according to the five major sections or disciplines of social sciences. It covers both theoretical submissions and empirical works from scholars around the globe. It is hoped that the collection of these conference papers will become a valuable source of reference materials to the conference participants, researchers, students, the general public, the various stake holders and the policy makers. The proceedings will be submitted to The Thomson Reuters for Conference Proceedings Citation Index.

We would like to take this opportunity to profoundly thank all the authors and paper presenters for their kind and invaluable contributions and their support towards our School's and our University's efforts in benefiting society and mankind through the organization of this conference. Our sincere gratitude also goes out to all the many paper reviewers who so generously provided their professional views and expert comments. Last but not least, we would humbly and honestly register our heart-felt appreciation to our editorial board members and the much-valued assistant who all worked very hard and passionately contributed their time and expertise in the editing process of these proceedings.

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The Capability Approach: Comparing Amartya Sen and Martha Nussbaum

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Abstract

Capability approach pioneered by Amartya Sen has been a new milestone for analyzing poverty through gender perspective. Since the introduction of the approach, numerous scholars from various fields have applied this approach in their studies. One of the prominent scholars who has contributed and expanded the approach is Martha Nussbaum. Though there have been some agreements but the arguments between the two scholars have shed new insights about the poor and their situation. Therefore, this paper attempts to compare Sen's and Nussbaum's capability approach by focusing on their core concepts, main arguments and rationality of the criticism of the approach. The methodology of this paper is based on document research.

Keywords: Amartya Sen; Martha Nussbaum; Capability approach; Cultural relativism;

1. Introduction

The capability approach developed by Nussbaum and Sen has received enormous attention in recent years in-term of philosophical exchanges and applied discussions related to policymaking. Although Sen pioneered the approach, but Nussbaum expanded it to a more advanced level and more applicable in various fields other than the economic studies. Correspondingly, both scholars agreed that capability approach is a realistic framework for the study of human life from a different perspective. Despite their agreement with the fundamental aspects of capability approach, there are some differences in the way they explain capability approach. This paper will outline three main differences in Sen and Nussbaum's version of capability approach in terms of a definite list of capabilities, groundness of the theory and the argument regarding cultural relativism.

1.2 Difference in Sen and Nussbaum's Capability Approach

Sen and Nussbaum's arguments regarding capability approach explain that human development should not be focused based on income poverty only. They both argue that humans themselves have the strength to improve their impoverished life. Therefore, Sen's approach basically explains poverty using two core concepts that are referred to as capability and functioning. On the other hand, Nussbaum's version goes into the core concepts by identifying variations and setting limitations to the concepts especially in terms of capabilities. Both versions of capability approach are explained in the next section.

1.2.1 Sen's Capability Approach

Amartya Sen is one of the most prominent philosophers and welfare economists who pioneered capability approach during the 1980s. He created a new dimension or new perspective on poverty studies at a time when most studies focused on lack of income as the main reason for poverty. Sen, (1999) first introduced the concept of capability in his *Tanner*

Lectures on Equality. In Sen's capability approach, capability and functioning are two core ideas that have been discussed. Functionings are states of being and doing, and they should be distinguished from the commodities that are being used to achieve them. For example, driving is very different from possessing a car. Here, driving is the functioning while car is the commodity that is used to drive. Robeyns, (2003) clarifies that the core aspect of capability is its focus on what people are effectively 'able to do' and 'able to be', basically referred to as their capabilities. Capabilities refer to the set of valuable functionings that a person has to possess which represents the effective freedom of an individual to choose between different functionings and combinations. Robeyns, (2003) stated that a person's functionings and capability are closely related but distinct. This can be seen in Sen's view as below:

"A functioning is an achievement whereas a capability is ability to achieve. Functionings are, in a sense more directly related to living conditions, since they are different aspects of living condition. Capabilities in contrast, are notions of freedom." (Sen, 1994, p. 273)

Compared to other monetary related approaches, Sen's capability approach truly takes initiative in researching what is happening in a poor household. This effort underscores a new perspective on how we should understand that unequal distribution of resources is the main reason of destruction of capability and functionings of the members of the household. Similarly, Bastos et al (2009) explains that Sen's version of capability approach exposes how commands over commodities determine rights and entitlements of each person in the household. He further clarifies that, social and cultural settings, for instance, gender structure, and determines the possession of resources of the household, the capabilities and their conversion into the functioning of a person. Occurrence of inequality distribution of resources will affect capabilities and functionings of each person of the household. In fact, Anderson (2003) clarifies that what really matters for Sen's capability approach is to what extent owned commodities allow a person to have a freedom of functioning in the society for their own well-being as they do not directly assure a state of being. As mentioned by Robeyns (2003), Sen's approach focuses on real freedom, that is on what people are able to do and not on what people should do to alleviate their impoverished situation.

1.2.2 Nussbaum's Capability Approach

Nussbaum is one of the notable scholars responsible in expanding the capability approach into a new dimension. Nussbaum, (1993) endorsed her own version of capabilities approach based on the Aristotelian and Marxian ideas of human flourishing and good life. Her version of capability approach claims that living well as a human being is about leading the life activities with human choice and their rationality. Unlike Sen, Nussbaum's capability framework identifies a well-detailed list of human capabilities that is supposed to be served by every human being in the world.

Nussbaum, (2011) typically uses the plural term "capabilities" in order to emphasize that the most important aspects or capabilities of people's quality of life are plural and are quantitatively distinct. She felt that health, bodily integrity, education, and other aspects of individual lives cannot be classified into a single term. Therefore, Nussbaum (2011) prefers to define her 'capability approach' as the "human development approach", because she is concerned with the capabilities of non-human animals as well as human beings. Due to that, Nussbaum is being praised for providing a richer, more applicable and realistic framework that can be used to evaluate every individual's well-being. Nussbaum's idea of well-being

arises from the essence of reading Aristotle who argued about “good life” of every human (Gasper, 1997; Deneulin, 2013). They further explained that like Aristotle, Nussbaum expands the approach to reinforce the environment where human beings can lead good life with their owned capabilities. Besides, it can be understood that Nussbaum’s version of capability approach focuses not only on the household but each individual in the household. Here, each individual in the household is the unit of analysis of poverty.

2.1 Sen and Nussbaum: A Polemic

Although Sen and Nussbaum have similarities in terms of their core ideas of capability approach, contradictions occurred in terms of argument regarding capabilities, groundness of the theory and the concept of cultural relativism (see figure 1 and figure 2). These three major aspects in the Sen and Nussbaum’s capability approach differentiate their views in implementing the approach.

2.1.1 Arguments Regarding Capabilities

One of the most prominent differences between Sen and Nussbaum’s capability approach is the notion of capability used in their arguments. Gasper, (1997) explains that Sen’s version of capability approach did not specify any particular capabilities that need to be owned by a person. Compared to Sen, Nussbaum developed a definite list of capabilities that she referred as “central human capabilities” (see figure 2). The list constitutes ten central human capabilities which are, (1) life, (2) bodily health, (3) bodily integrity; senses, imagination and thought; (5) emotions; (6) practical reason; (7) affiliation; (8) other species; (9) play; and (10) political and material control over one’s environment. She believed these capabilities are needed by every human being to live in a truly human way in order to achieve human flourishing and human dignity. Although Sen pioneered capability approach, but he did not give a list of central human capabilities unlike Nussbaum (see figure 1 and figure 2).

Besides, Nussbaum does not only endorse a list of important capabilities but she also explains the variations and specifications of these capabilities. The variations of capabilities are categorized as basic, internal and combined capabilities. Nussbaum, (2000) further explains that basic capabilities are referred to human natural capabilities such as ability to hear, see or walk. These types of capabilities are needed for developing more advanced capabilities. Meanwhile internal capabilities are based on basic capabilities by certain processes such as exercise and training. A supportive environment is needed to develop these kinds of capabilities. For example, one learns to interact after practicing speaking with family, friends and relatives. Nussbaum, (2000) defines combined capabilities as internal capabilities together with external conditions that make the exercise of a function as a mandatory option. An example given by Nussbaum is a widowed young woman who though was not mutilated but was not allowed to practice her sexuality due to the forbiddance of her culture for a second marriage. Nussbaum, (2000) explains that in this example, the young woman has the internal capability as she is not mutilated, but she does not possess the combined capability that is the freedom to practice her sexuality. In continuation, Nussbaum (2011) also stressed that every human does not only need to have the capabilities on their own but they also need to utilize the ten central human capabilities to live in a truly human way and be fully functional. Compared to Sen, Nussbaum insists that the capabilities that have been listed should be legalized to make sure that every human being is able to practice these capabilities. Nussbaum coined the term, threshold of capabilities, insisted that every citizen should be guaranteed or promised a social minimum security whereby these capabilities are available to

them as other human life infrastructures. She further agrees that institutions, for example, religious, labor and government have a role to ensure that these threshold levels of capabilities are achieved. Subsequently, Maboloc (2008) supported Nussbaum's version of capability approach because it proved to be a more realistic version than Sen's version of capability approach. He felt that Nussbaum's argument on capabilities should be beneficial and essential to everyone regardless of their gender, social status or any other variables.

Nussbaum did not only create a definite list of capabilities but went further to introduce the concept of threshold of capabilities. This aspect uplifts Nussbaum's framework as a more sensible and applicable approach compared to Sen's framework. Threshold of capabilities explains the importance to provide minimum benchmark of capabilities to each and every individual around the world. DeMartino, (2011) agreed that Nussbaum's elaboration of capabilities based on neo-Aristotelian perspective has the ability to provide an intensive framework of what is a true human life and enabling citizens to receive a minimum secured life with important capabilities. In contrast, Gasper (1997) posits that in terms of capabilities, Sen's research on capabilities shows that his intent was to provide an optional framework of utility or commodity-focused welfare economics and moral philosophy. Sen specifically discussed the two core ideas, which are functioning, and capability to assess the well-being and the standard of living throughout his presentation of the capability approach. On the other hand, Deneulin (2013) asserted that the focus of Nussbaum's capabilities approach is not the group (e.g. church or self-help groups) or life structures¹ (e.g. caste system or patriarchy), which are usually blamed for the inability of a person to escape from poverty. She insisted that the focus should be the individual him/herself. Therefore, life structures and groups are important in determining capability outcomes, but they should be left out from the evaluation space of poverty. In Nussbaum's capability approach, what matters most is not what the structure or group is doing, but what each individual is doing. Robeyns, (2003) argue that Nussbaum's well-defined "central human capabilities" and the list implemented through constitutions reflect that her approach is universalistic². Through this argument, it can be understood that Nussbaum is very much focused on defining, classifying and implementing her capabilities till it reaches the common people through their government. Meanwhile, Sen's capabilities section is too general because there is no specification about the kind of functioning and capabilities that are need to be considered when applying his version of capability approach.

2.1.2 Groundness of the theory

Another major difference in Sen and Nussbaum's capability approach is in the groundness of their theory (see figure 1 and figure 2). Both have the contradiction due to their fields of expertise and backgrounds. Nussbaum, (2000) developed her version of capability approach from a philosophical perspective and she strongly grounds her theory on Marxian and Aristotelian idea of true human functioning (see figure 2). Following Aristotle, she emphasizes that the two notions of human flourishing and human dignity are compulsory to make sure a person lives his or her life in a truly human and dignified way with the capabilities that have been listed in Nussbaum's central human capabilities. Nussbaum starts her argument from an Aristotelian perspective of human development and does not only depend on Sen's theory of capability. In contrast, Sen does not use the idea of true human

¹ Refers to structures (caste, patriarchy, religion or culture) that exist in human life upon creation by human themselves.

²The term refers to the effort of Nussbaum to generalize the capabilities and its constitutionalization, together with the entitlement of those aspects to every human being in this world.

functioning and he insisted that the capabilities owned by a person will lead to the functioning of a human and lead to human freedom. As a scholar that belongs to a different tradition Sen has his own justification on why he did not give the accreditation to Marx and Aristotelianism. On the other hand, Nussbaum also gives accreditation to Marx for being the ground on which she starts her discussion on capability approach. In a similar way, DeMartino (2011) explains that Nussbaum's version of capability approach clearly reflects Aristotelian heritage, with emphasis on human flourishing, but she also draws on Marx and assumes an affinity between two philosophers. He further added that, Nussbaum draws Aristotelian basic by emphasizing on function and capability and she also outlines the similarities with the views on truly complete human functioning by Marx in the economic and philosophical manuscripts at the end of her article which was originally presented in 1986. Compared to Sen who argued capabilities in a general perspective, Nussbaum (2000) argued that capability approach which includes Marxian and Aristotelian perspective require truly human functioning of every human being. Truly human functioning refers to wide range of human life activities that derived from their capabilities. Nussbaum also take Marx's stand when she argues that humans must have "pluralism"³ in their life activities because that is the only logical way that differentiates them from being animalistic (see figure 2).

2.1.3 Cultural relativism

Another important difference between Sen and Nussbaum's capability approach is cultural relativism (see figure 2). The concept refers to the idea that cultural context is critical to an understanding of people's values, beliefs and practices and strongly bounded with general tolerance and respect for the difference. Basically the concept of cultural relativism requires others to understand an individual's life aspects in terms of the individuals' own cultural settings. Meanwhile, Donnelly (1984) states that cultural relativism is a doctrine that holds that (at least once) an individual life aspects are exempt from legitimate criticisms by outsiders and is strongly supported by the notions of communal autonomy and determinations. But Nussbaum takes a brave decision to ignore the concept to make sure that each human being is treated as a human despite all the differences they have in their life. Nussbaum, (2000), states that most feminists choose to ignore cultural relativism because it offers a tool for criticizing rationality and rejecting objectivity. Nussbaum stated that objectivity is based on the presumption that subject and object can be separated from each other; where a subject refers to a male observer and an object refers to nature. She further explains that objectivity is problematic for a woman because it denies the subjective and emotional experiences of women and contributes to male dominance. As a result, Nussbaum (2000) criticizes Sen for not straightforwardly rejecting cultural relativism for the purpose of gender equality. Although, she agreed with his care for universal norms, she questioned his stand for not completely rejecting cultural relativism in his version of capability deprivation. This difference can be discerned in the quotation below:

"First of all, although Sen and I are in strong agreement about the poverty of cultural relativism and the need for universal norms in the development policy arena, he has never produced explicit arguments against relativism apart from historical arguments about non-western cultures that show descriptive inadequacy of many anti-universalist approaches"

(Nussbaum, 2000, p.67)

³ It refers to variation of human activities such as reading, thinking, analyzing, fighting for the rights apart from the basic activities (eating and sleeping). Those aspects will portray the differences that occurred between the human and animal.

In line with Nussbaum's view, Zechenter (1997) identifies cultural relativism, which requires us to respect traditional cultures and its rules and regulations. In reality it tends to cover up the fact that even in the most egalitarian and non-stratified of societies, there is no such thing as one culture. Further, he argued that logically all cultures consist of groups and individuals with agendas, and their customs have reflected the interest of the dominant classes. As a result, Nussbaum (2011) posits that the perspective of respect is required in cultural relativism by saying that respect and relativism are very different because real respect for differences requires unwavering and non-relativistic protection for the freedom of speech, association and conscience, and the material factors. She further asserted that since many world traditions do not recognize these norms, hence relativism does not entail them. In larger philosophical sense, Nussbaum clear rejection of relativism has naturally connected to her definite list of capabilities that was suggested by her. Against the rules of cultural relativism, which requires us to recognize pluralism of societies, Nussbaum insisted that she is very definite about the content as international human rights movement does. She urges that a particular list of capabilities ought to be used to provide a minimum level of security and the need to be recognized and given something like legal protection in all nations. Furthermore, dismissal of cultural relativism is needed to make sure all the nations and their citizens benefit from this capability approach and its practice without any cultural or moral justification (Brown, 2008).

Nussbaum's initiative in providing definite list of capabilities and legalizing it as a minimum security for every human being clearly shows that her effort in universalization of capabilities is specific (see figure 2). Nussbaum, (2000) explains that cultural relativism has the potential of interfering in this universalization of capabilities by marginalizing or underrating non-dominant voices such as women from receiving their basic capabilities from law enforcement of government. Therefore, rejection of the concept is compulsory to make sure each individual is equally entitled to the capabilities in the definite list without any interruption of culture. Furthermore, since culture itself is relative, the meaning of morality may be different from one culture to another (Rachael, 1986). What is considered moral in one culture might not be considered moral in another culture. Therefore, Nussbaum's argument that the well-being of a person and their capabilities should not be debated as right or wrong but it should be implemented as a basic necessity of every human. As a result, human flourishing and human dignity will be achieved (see figure 1 and figure 2). Zechenter, (1997) criticizes that cultural relativism is about the rights of a group instead of rights of individuals. Basically cultural ideas, customs, restrictions and regulations, prioritize the well-being of a group of people rather than individual's well-being. In contrast, Nussbaum's capability approach and her definite list of capabilities suggest that an individual's well-being is more important than the group and each individual is entitled to be treated equally regardless of which culture he/she belong.

Consequently, if cultural relativism is taken into account, universalism of human rights will not be realistic because not all cultural groups would approve the suggestion that capabilities should be constitutionalized (see figure 2). For instance, bodily integrity (a capability that requires women to have the right to do decision regarding her body; freedom to move from one place to another, to be free from domestic violence) might be approved in a culture that practices matriarchy but neglected in a culture that practices patriarchy. In matriarchy, women's rights and protection are prioritized since mothers will be the head of family, but in male-headed households as in a patriarchy system, most probably women's life aspects such as their health and education might be neglected. Since every human being deserves to live well, Nussbaum urges that the involvement of cultural relativism will cause human well-

being and capabilities to be considered as an option rather than a compulsory aspect of human life. In relation, she also insists that the rejection of cultural relativism will ensure that each individual has the opportunity to perform his/her capabilities because the concept itself is bias towards functionalism and its nature of welcoming dysfunctional beliefs and customs of a culture (Gasper, 1997: 328).

Figure 1 : Amartya Sen’s Capability Approach

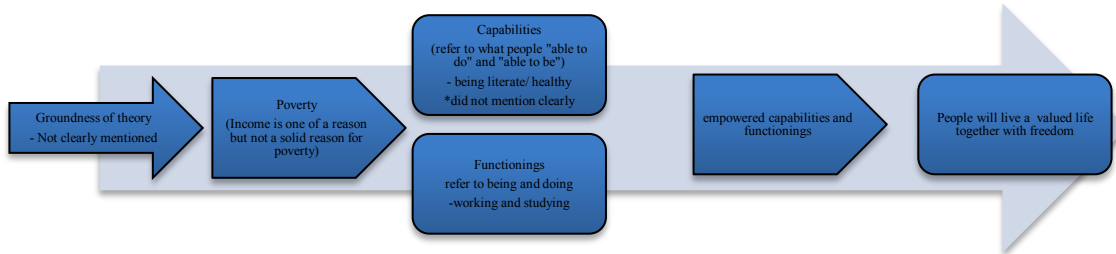
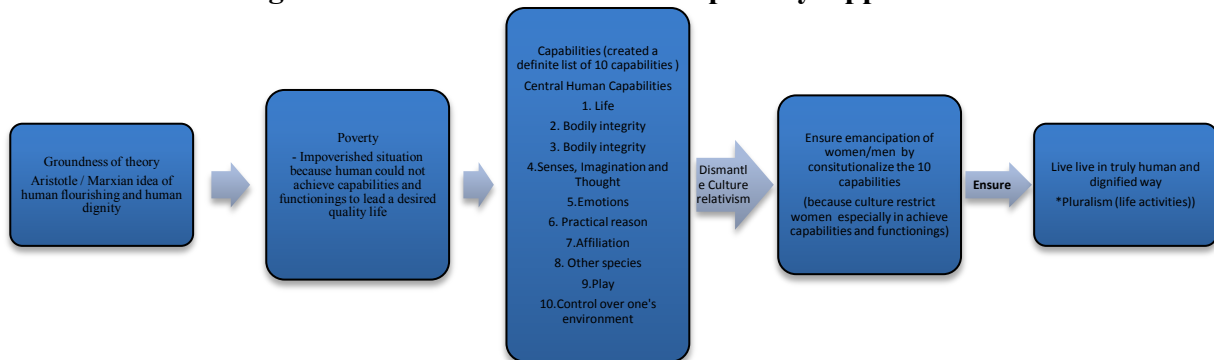


Figure 2 : Martha Nussbaum’s Capability Approach



3. Conclusion

Amartya Sen and Martha Nussbaum have made major contributions in exploring poverty related issues using capability approach. Sen’s version of capability approach clarifies that individual well-being depends on their capabilities and functionings and strongly suggests that lack of income is not only the main reason of poverty. Throughout his version of capability approach, he suggested that each person should have the human freedom in order to live a life the individual has reason to value. Besides human freedom, he expounded poverty from a multidimensional perspective. In contrast, Nussbaum’s capability approach portrays a systematic analysis of the capabilities of humans and how to bring it to common people. Grounded strongly by Aristotelian and Marxian’s concepts of human flourishing and human dignity, Nussbaum developed a blue print of human development by creating a definite list of capabilities along with suggestions to be constitutionalized by the government. In fact, both Sen and Nussbaum’s approach has the potential to analyze current issues such as social inequality, gender, education and health that exists in society today. Main difference lies on which approach able portray an issue with extensive and clarity framework that able to make the researches understand and apply on their research. We can take women and poverty issue as example. Sen’s capability approach able to analyze women and poverty issue by arguing that deprivation of general capabilities and functionings of women led them to live impoverished life. Therefore, Sen’s approach would insist that, in order to achieve valued life, poor women need to possess capabilities and functionings in fully empowered way. Meanwhile, Nussbaum’s capability approach will take extended step by illustrating how a women’s deprivation of ten specified capabilities would make them vulnerable to poverty and forbid them to live truly flourished and dignified life. Apart from that, Nussbaum’s version of framework has the ability to show how complexity such as cultural relativism could forbid

women's escapism from the poverty. Therefore, as a result, Nussbaum's idea of capability approach seems to be more applicable in analyzing human capabilities than Sen's view that appears to be an initial guide to understanding human freedom. Conclusively, compared to Sen's, Nussbaum's capability approach resembles more effective and a holistic approach that can be applied in human development studies.

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A Conceptual Overview of the Effect of Household Behaviour on Malaria Control and Prevalence

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Abstract

Malaria is a global health challenge and remains a cause of morbidity and mortality. Africa bears the brunt of the challenge. Several intervention programs were initiated to control malaria by governments at local and international but the disease persists and continued to pose the huge challenge to human society. This paper seeks to discuss into three most important concepts (perceived vulnerability, seriousness and barriers) and how they lead people to take decision of health care seeking behaviour. The health belief theory is used to understand how those concepts which are also among the constructs of the theory are explaining health behaviour. The theory assumes that health behaviour is determined by personal beliefs and perceptions and strategies available to decrease disease occurrence. The paper conclude that human behaviour is an important instruments used to understand and predict human health behaviour.

Keywords: Household Behaviour, Malaria Control, Perceived Vulnerability, Perceived Seriousness and Perceived Barriers.

1. Introduction

Malaria is with human beings for long periods as far back as 2700 BC and scientists argued that the disease is transmitted and passed by female mosquito. The concept of malaria is derived from Roman, although the parasite disease was not recognized by its current name until the middle of 18th century. Before that time malaria was simply means and referred to different names as ague, intermittent fever, swamp fever, Roman fever, and death fever. Malaria is a major threat to global health, and it is estimated that a population of 3.3 billion people lives in regions with a high risk of malaria (World Health Organization 2012). According to WHO reports 2011 and 2012 those regions include 109 countries that have serious malaria prevalence. The biggest malaria deaths are found in 35 countries globally, among them 30 is in Sub-Saharan Africa, and the other five are in Asia. Roughly about 98% of malaria universal consequences in terms of morbidity, mortality and general consequences take place within those countries (WHO, 2010).

Several intervention programs were initiated to control malaria. Those control programs focus on the distribution and use of insecticide treated bed nets, together with evidence-based health communication programs on the mode of malaria transmission and the importance of sleeping under Insecticide Treated Nets (ITNs). The control programs also includes Indoor Residual Spraying (IRS) involves the coordinated, timely spraying of the interior walls of homes with insecticides that kill mosquitoes and Artemisinin-based Combination Therapy (ACT) and several other control measures like home management/traditional using concoction of herbs and some available local resources (Amzat 2009). But despite those involvements through different interventions programs by government and other stakeholders

both at local and international level, malaria persists and continue to pose a huge challenge to human society (WHO 2012; National Institute of Malaria Research 2009).

The literature shows quite powerfully that human perception not only influence their behaviour, but are themselves key factors in determining the ability to practice health related behaviour. The paper is only look into the concepts of perceived disease vulnerability, perceived disease seriousness and perceived barriers.

1.1 Objective of the Study

This paper seeks to examine the role of human perception on malaria control and how they affect people's health care seeking behaviour.

The general objective of this paper is to provide a general discussion and conceptual analysis of household behaviour and malaria control with a support from existing literature and theoretical support.

2. Conceptualization of Perceived Disease Vulnerability

Perceived disease vulnerability is one of the powerful tools that influence people to engage into health related behaviour. The greater the people perceived the susceptibility of the disease and its risk to their life the more likely those people to engage into health seeking behaviour that reduced their chances of becoming more vulnerable to that disease. It is also generally believed that if people believed that the disease is not a serious risk to them and their life will also causes their reluctance to seek early disease treatment. It is our assumption that people perception about the vulnerability of malaria and it consequences to human society is what encourage people to seek or increased their behaviour. This behaviour includes their ability to seek and use different preventive methods available for malaria control. For example ITN, IRS, ACT, sanitation practices and other measures available for malaria prevention.

Literature shows that people will be more likely do something to prevent the disease from happening only when they perceived disease vulnerability and vice versa. According to MacCormack (1984) older adult do generally not perceived their self as vulnerable to HIV and its risk related consequences. As a result they practice unsafe sexual behaviour without seeking protection measures such as using condom during sex. This behaviour comes as result of their perception of not being at risk to HIV and AIDS vulnerability. The same circumstances were found among Asian American college students that see HIV as not Asian disease and therefore, not perceive HIV vulnerability as health challenge to their life. Consequently their behaviour of practicing safer sex using condoms and other HIV protection mechanism was very low.

Based on the above situation it is indicated that there is a strong relationship between high disease perception and health behaviours and it is also serves as barrier to unhealthy behaviour. However, there is also different situation in some cases as perceived disease susceptibility may not always explained health behaviour. Lamanna (2004) carried out a study on perceived risks of developing skin cancer among college students and found out that, thus those students perceived the susceptibility of cancer disease and its effects to human society but still they do not sees themselves as vulnerable of getting cancer for them to used or apply health behaviour to reduced cancer risks. It is also found by Lewis and Malow (1997) among college students that even though they see themselves as vulnerable to

HIV due to their unproductive sexual behaviour but still do not practice safety behaviour in order to reduced HIV risks and its disease consequences.

2.1 Perceived Disease Seriousness

Perceived seriousness of disease entails individual perception about seriousness of disease and severity. Perception about disease severity is often based on medical information and knowledge individual possess about disease. McCormick Brown (1999) is of the opinion that perception of disease seriousness comes from a belief a persons have about the complexity and difficulty a disease would create or the effects it would have in his or her life in general. According to Ulen (1999) perception of seriousness of the disease is the idea that if individual sees the seriousness and trouble the disease may likely to cause in his/her life in general will lead to change their behaviour based on the threat of that disease. For example most people view flu as comparatively minor illness which according to their perception may not caused or harm any serious damage to their health. As a result most of us have get flu treated and recover at home without seeking any health treatment outside. However it is also the belief of most of us that asthma or cancer is a serious disease that causes significant health threat to human being. It is also based on the above perception that many people respond positively in terms of urgent health seeking behaviour so that to reduced or decreased the possible disease impact to their body in general.

In the case of malaria our assumption is that if people perceived the seriousness of malaria disease they may probably adopt health care seeking behaviour in order to minimize the most likely consequences of that disease seriousness. Therefore if people observe the severity of malaria disease they can easily change their behaviour to seek for protection against malaria by using several measures such as ITN, IRS, ACT or any other relevant treatment measures. On the other hand, if people perceived malaria as not severe disease they pay less attention to adopt or seek proper treatments that lessen the susceptibility of the disease.

2.2 Perceived Barrier

Perceived barrier involved individual perception about and opinion on what stop or block him from implementing new health behaviour that believes to be more effective and efficient than older behaviour. It is generally agreed that change is somehow not easy to human beings to switch from usual behaviour to new one. Perceived barrier entails the individual assessment of the impediment and problems he or she is facing in the process of engaging into new health behaviour. Perceived barrier serves as important concept in determining health care seeking behaviour (Centers for Disease Control and Prevention, 2004). In the case of malaria control perceived barrier explains the effectiveness of new malaria control services and how they encourage people to use those services. On the other hand poor quality of new services may decreased people behaviour from using those services and vice versa.

Perceived behaviour stated that for new behaviour to be adopted there is need for individual to assess the efficiency and usefulness of the new behaviour compare to old behaviour (Janz and Becker 1984). This enables the barrier to prevail over and allowed new behaviour to be taken place. Literature shows that in an attempt to improved breast cancer self examination practices in women it would seem understandable that the risk of breast cancer would influence early self cancer examination. It is also obvious that cancer is a dangerous disease and there is also high perception of its greater risks to human society. But of all those perception of risk, perceived barrier serves as most significant concept to the barrier of

carrying out breast self-examination (Umeh and Rogan-Gibson 2001). Some of the barriers comprise difficulty with starting a new behaviour or developing a new habit, fear of not been able to perform the new behaviour correctly and some other difficulties.

Those difficulties may possibly found in the case of malaria control as people find it difficult from starting the new behaviour of using some new service of malaria prevention such as ITN. Many people find it difficult to develop the habit of using ITN for malaria prevention. Ahmad (2012) in his study of environmental sanitation and incidence of malaria in Gusau metropolis found out that people from poor environmental sanitation areas find it difficult to build up the behaviour of using ITN as malaria protection measure. Some other people also stated that they faced serious difficulty of how to use ITN and also serve as barrier for them of not using ITN (Ahmad 2012).

2.3 Theory: Health Belief Model

Health belief model is the most frequently used theory in the study of health education and health encouragement. The theory was developed according to Nejad (2005) by Godfrey et al in 1950s as a way to explain why medical screening programs offered by United States public health services particularly for tuberculosis and other diseases were not very successful (Nejad et al 2005). Health belief model is one of the most extensively utilized and applied frameworks in trying to understand and predict human health behaviour.

The concepts discussed in this paper is among the underlying concepts of health belief model and they believed that health behaviour is determine by personal beliefs or perceptions about a disease and strategies available to decrease it occurrence (Hazavehei et al 2007). Personal factors are influence by the range of interpersonal factors affecting health behaviour. The assumption of health belief model is that health behaviour is more often influenced by attitudes and beliefs, as well as established mechanisms to minimize the occurrence of disease within a social system. Health belief theory assume that believes about the burden of the disease often defends on both the perceived vulnerability to the disease that is how susceptible a person consider him/her self to the disease and perceived seriousness of the disease that is individual judgement as to the severity of the disease.

Therefore, with particular reference to this paper health belief model assume that if an individual or general members of the society does not perceived malaria as a serious disease to human society and does not observed it as vulnerable to them they may likely not take health related behaviour to protect the incidence of the disease. However if they perceived it as serious disease and also believed to be susceptible or vulnerable to it they may also adopt health related attitudes to ensure that they decrease the impact of the disease. The concepts discussed in this paper (perceived vulnerability, severity and barriers) are important components that influence the decision to taking health care seeking behaviour as also discuss by this theory of health belief.

3. Conclusion

This paper highlighted some of the important concepts that encourage people to adopt health care seeking behaviour. The paper discusses the underlying concepts of health belief model and they believed that health behaviour is determined by personal beliefs or perceptions about a disease and strategies available to decrease. In the case of malaria this paper concludes that if people perceived the seriousness of malaria disease they may probably

adopt health care seeking behaviour in order to minimize the most likely consequences of that disease.

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The Experience of Work of Kindergarten Teachers: A Critical Review of the Literature and Some Preliminary Findings

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Abstract

A great deal of research has demonstrated that productive-line factory work is alienating and produces a low level of job satisfaction. This is because factory work is repetitive, the wages are low and workers have very little autonomy and control over their work procedures. Administrative or office work has been argued to be routine in some levels and it has also produced a low level of job satisfaction. Some nature of work, such as sales work, antique work and service works have greater autonomy, receive higher wages and have less repetitive work. Workers in these types of work have displayed a higher level of job satisfaction and a lesser alienation. Teaching work shares some of these natures and it is, therefore, expected to produce a higher job satisfaction. A great deal of research has been conducted on job satisfaction among teachers and they have shown that teachers' job satisfaction is very crucial in the commitment and effectiveness of their work as a teacher. However, some have found that teachers have also experienced job dissatisfaction and even job stress. This paper reviews the literature on the experienced of work critically with the aim of justifying a case study on the experience of work of kindergarten teachers in Penang. The paper also discusses some preliminary findings of this study.

Keywords: The Experience of Work, Kindergarten Teachers, Job Dis/ Satisfaction, Work Alienation, Job Stress

1. Introduction

Work plays an important role in human's life. According to Grint (1991), work is seen as a world phenomenon that is carefully built and care under social constructed. In other view, Clair et al. (2008) define works as a messy business. In addition to this, Marx (1966) also view that work has a link with human nature. According to Mark (1966) in his book *The Nature of Man*, human as active creatures that have a high potential in working as well as response towards their environment. In addition, Marx (1966) also view that through process of works, human tends to realize about self-realization, and leads to a transformation of life. As for this, Grint (1991), Muirhead (2004), Heneman (1973) and Edgell (2006) debate that an understanding of work should starts with the historical evidence and factor as well as the work experience of the human themselves.

In the current world, it can be seen clearly that some work produce high job satisfaction while some others produces low job satisfaction. A great deal of research has demonstrated that productive-line factory work is alienating and produces a low level of job satisfaction (Clark, 1994). This is because factory work is repetitive, the wages are low, and workers have very little autonomy and control over their work procedures (Ong, 2005:1). According to Allan (2010), individual feels alienated in a world of factory-line work. This is because the worker feel that they have no choice as the employer are the one who controls everything; production, employment as well as labors' time of the workers. This situation put the factory line workers in the state of alienation.

In contrast to the factory works, some nature of work, such as sales work (Ong, 2005) and antique work (Maria, 2014) have greater autonomy, receive higher wages and have less repetitive work. Workers in these types of work have demonstrated a higher job satisfaction and a lesser alienation. Workers in sales works and service works provide high job autonomy because they can exercise free will and self-control on the job. According to Hossain (2000), people who work as bank executives have higher level of job satisfaction in comparison to non-executives. In shorts, employees who have a high position feels more satisfied with their job compared to employees with low level position because they have high autonomy over their work as well as high salary. Thus, this indirectly produces high job satisfaction. However, administrative or office work has been argued to be routine in some levels and it produced a low level of job satisfaction (Prandy, Stewart and Blackburn, 1982; Oo, 1994).

1.1 Teachers' Job Satisfaction

Teacher job satisfaction also has been an important topic in the past several decades, because job dissatisfaction might cause teachers to leave their positions (Liu, 2007; Darling-Hammond, 2003). A number of factors have been identified as being related to teacher job satisfaction in Western developed countries, such as role overload (Liu and Ramsey, 2008), leadership (Belfield, 2005; Billingsley and Cross, 1992), teacher autonomy (Pearson and Moomaw 2005), salary, parent support, student behavior (Perrachione et al. 2008) and school climate (Pepper and Thomas, 2002). According to Maslach and Leiter (1999), teachers' job satisfaction influences the quality of the activity, their interaction with the children and, indirectly, the students' performance.

Social change and economic imperatives have challenged the teaching profession over the last decade, making it important to explore the issues in much detail. Dworkin, et al. (1990); Kyriacou (1987); Schwab, Jackson and Schuler (1986); Pines and Maslach (1980) supported the view that teaching is a stressful occupation. This stress has increased as the relationship between society and education has become more complex (Esteve and Fracchia, 1986). As a result of social change, teachers face increased parental and community expectations for the outcomes and standards of education and the relevance of the curriculum. This has resulted in pressure to implement change in curricula and teaching practices. Many teachers assert that they are inadequately prepared to implement new curriculum (Bailey, Berrell and Gibson, 1991).

1.2 Teachers' Job Dissatisfaction and Job Stress

There is increasing evidence that in the course of their careers teachers experience a great deal of stress and this may have implications for their physical and mental health (Borg, Riding and Falzon, 1991; Byrne, 1999; Kyriacou, 2001; Tang et al., 2001). The stressors teachers may have to face include students with behavioral difficulties, problems with parent-teacher relationships, conflict with colleagues or having to organize teaching in a new way as a of working in teams or governmental change (Skaalvik and Skaalvik, 2007). Most teachers cope successfully with stress, for instance, through active problem solving, social and emotional support from colleagues, co-operating with parents or changing their teaching strategy (Skaalvik and Skaalvik, 2007). Some teachers may develop more psychological symptoms than others varying from mild frustration and anxiety to more severe symptoms such as burnout (Chan, 2007; Dunham, 1992; Schonfeld, 1992). Burnout in teachers represents teachers' negative responses to the mismatch between job requirements and their perceived abilities (Tang et al., 2001).

In order to understand teachers' stress, researchers have sought to identify the major sources. Among the contributors of the teachers stress that has been identified are work overload, limitation of time, problems with the kids' behavior as well as the working environment (O'Connor and Clarke, 1990). In the course of identifying sources of stress, many studies have investigated the impact of some parts of demographic variables such as gender, age, family status and teaching experience on perceived stress (Byrne, 1991; Malik, Mueller, and Meinke, 1991; Schonfeld, 1992; Schwab and Iwanicki, 1982; Schwab, Jackson and Schuler, 1986; Tokar and Feitler, 1986). Analysis of such characteristics is useful when examining and associating the sources of stress reported; however findings from the above studies indicate that such demographic variables do not predict stress.

Based on the combined references of the literature review, it can be seen clearly that multiple types of work shares different level of job satisfaction and dissatisfaction. Some works such as sales work and service works produce high job satisfaction while some other works such as factory-line work produces low job satisfaction. Teaching work shares some of these natures and it is therefore expected to produce a higher job satisfaction. A great deal of research has been conducted on job satisfaction among teachers (Liu, 2007; Darling-Hammond, 2003). The research has revealed that teacher's job satisfaction has been identified as being a determinant of teacher commitment and school effectiveness (Huang, 2001). However, some have found that teachers have also experienced more dissatisfaction and even job stress (Kyriacou, 2001). Therefore, the central question to be examined is whether kindergarten teachers also experience low job satisfaction or job stress and to what extent this job satisfaction, dissatisfaction and job stress of kindergarten teachers impacting their quality of work.

As education is of utmost important and teaching has becoming one of the society's most important occupations in current world, the need for the study on the experience of work of teacher is seen to be crucial. Exploration in this paper provides an opportunity to develop a holistic and in-depth understanding of the interplay of factors that contribute to teachers' satisfaction, dissatisfaction, job stress as well as overall aspects of teachers work nature with the aim of justifying a case study on the experience of work of kindergarten teachers in Penang.

In addition, most of the researches on the experience of work of teachers or kindergarten teachers are quantitative. Thus, a major reason for undertaking this study is a lack of research on the experience of work of kindergarten teachers being conducted qualitatively and to further explore and understand the nature of work of kindergarten teachers in Penang, Malaysia.

In order to further understand the experience of work of kindergarten teachers, a few research questions are used to explore and assist the study. The questions revolves around; (1) the experience of work of kindergarten teachers; (2) to what extent do they experience some form of job satisfaction, job dissatisfaction and job stress; (3) why do these teachers experience job dissatisfaction and job stress; and (4) in what ways do they react to the stress they experience.

2. Methodology

This study used the interpretive approach as well as qualitative data analysis suggested by Dey (1993). Interpretive paradigm looks into human social reality through interaction and discussion among each other.

The target population for the study consisted of selected kindergarten centers and teachers in various categories of sponsorship: public, private, faith led, or Religious Organizations (RO) in Georgetown city. Fifty kindergarten teachers employed within selected three categories of education system in the urbanize area of Georgetown City, Penang were invited to participate in the study. All of these teachers were women in the age ranging from 20 years old to 45 years old with teaching experience ranging from 2 to 15 years. The sample size was considered appropriate in the light of the data collection methods.

In terms of the location, target location of the research is Georgetown city of Penang, Malaysia. The district was chosen because it encompassed the following characteristics: 1) Large geographical area; 2) High population; 3) Kindergarten of various categories: public, private, faith led, or Religious Organizations (RO); and 4) Varied economic potential: Zones with diverse residential areas ranging from upper middle class to informal settlements.

Semi natural setting is used in this research in order to get the primary data through interview and observation of the respondent (Blaikie, 2010). This research is conducted by selecting a group of specific people (kindergarten teacher) as respondent. Research on the experience of teachers begins by recording the demographic characteristics of respondents such as age, gender and level of education. Then, the next step will focus on the day care teacher work orientation towards their job such as their knowledge in this early childhood education area, perception, attitude as well as their daily routine. Interview with the respondent was recorded and then transform into manuscripts manually. All the data are in the form of qualitative texts. Categorizing and connecting approach is used to analyze qualitative data.

3. Preliminary Findings

This section highlights some preliminary findings on the expression of the first-hand views of kindergarten teachers in Penang and the impact of those factors on their sense of empowerment and confidence. This knowledge will be of importance to those wishing to gain a more detailed view of teachers' feelings of satisfaction and dissatisfaction, something of particular relevance to ongoing reform efforts in several developing countries around the world.

Preliminary findings of this study indicate that majority of kindergarten teachers (95%) were happy in their job, though some (5%) experienced occupational stress. Among the determinants of job satisfaction identified are gender, age and length of service. It can be seen that female teachers had higher job satisfaction levels than their male counterparts. In terms of age, teachers aged in their forties had higher stress levels than other age groups. As for the length of service, there was some fluctuation in job satisfaction level by length of service with newly recruited teachers and principals and those with a longer service record reporting higher job satisfaction levels. In addition, teachers' sense of control (autonomy) over various activities at school also enhanced their job satisfaction, especially when they had a say in which class groups to teach.

Despite the satisfaction of teaching, it is found that occupational stress was evident at all stages of the teaching career and kindergarten teachers who are teaching multi- grade are more stressed. However, teaching multi-grade classes did not affect their job satisfaction level. Teacher's stress was associated with students' behavioral difficulties and with the extent of contact with parents. In addition to that, teacher stress was also associated with relationships with other staff members and day-to-day interaction among the school partners – teachers, pupils, parents – matters in shaping teachers' own experiences.

The key determinant that keeps the kindergarten teachers motivated and away from their occupational stress is the children themselves. It is found that a person cannot work in a

kindergarten without liking children. The children are such a significant part of the work as kindergarten teachers. Children are an important factor of work motivation for the kindergarten teachers. Another determinant that keeps teachers motivated is the colleagues. A well-functioning work team and a good atmosphere at work are highly appreciated by the kindergarten teachers. In addition to that, a good management and leadership at work place also help the kindergarten teachers to work at their best. In brief, other factors of teachers work motivation are: meaningfulness of work; working with people in general; feedback; as well as trainings offered through work.

The preliminary findings stated above express the first-hand views of kindergarten teachers in Penang and the impact of those factors on their sense of empowerment and confidence. Such knowledge will be of importance to those wishing to gain a more detailed view of teachers' feelings of satisfaction and dissatisfaction of their job in teaching arena.

4. Conclusion

This study highlights the experience of work of kindergarten teachers and the complex nature of teachers' work. Acknowledged is the worldwide growth of early childhood education and increased participation of young children in formal education settings. Also disclosed is research validating the benefits of quality early learning experiences on child development and long-term productive participation in society.

The reviewed literature outlined how changing societal expectations and the popularization of educational philosophies have impacted on the beliefs, practices and the feelings of kindergarten teachers towards their work. Such factors add to the complex and changing nature of kindergarten teachers' work, ultimately effecting kindergarten teachers' sustainment in their profession.

The reviewed literature has also identifies a lack of research focusing specifically on what sustains teachers' motivation and productive engagement within their profession over an extended period of time as well as overall feelings of satisfaction and dissatisfaction towards teachers work in early childhood education. Thus, the literature review confirms that further research is required to identify ways to overcome job stress amongst teachers, and to sustain teachers' professional commitment, job satisfaction and effective engagement in the teaching process. The literature review also confirms that the field of early childhood education is of great significance, and that its' educators have often been overlooked in research. If early childhood teachers are to be sustained in their profession, providing quality education for their students, then they should be informed of key aspects that can assist in their sustainment. This study is one such attempt to address these issues.

Some preliminary findings of this study had shown that that almost all the teachers are happy with their job. However, despite the satisfaction of job in teaching world, some kindergarten teachers do undergo job stress and job dissatisfaction. Even though the percentage of teachers who undergo the job stress is not high, still the stress is evident at all stages of teaching career. As for that, it is important to explore the reasons behind job stress and the level of job dissatisfaction experience by the kindergarten teachers before it is wildly spread and why kindergarten teachers still remain in the profession despite the challenges and dissatisfaction that they undergone.

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Some Empirical Responses to the McDonaldization Thesis

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Abstract

The classic example of rationalization, for Weber, is bureaucracy. However, Ritzer (2001a) has argued that today's rationalization is best illustrated by the fast-food restaurant, which he has dubbed this as 'McDonaldization process'. According to Ritzer (2001a), "McDonaldization is the process by which the principles of the fast-food restaurant are coming to dominate more and more sectors of American society, as well as the rest of the world" (Ritzer, 2001a, p. 198). It "affects not only the restaurant business, but also education, work, health care, travel, leisure, dieting, politics, the family, and virtually every other aspect of society". It "has succeeded because McDonald offers consumers, workers, and managers efficiency, calculability, predictability, and control" (p. 198). This paper *reviews* Ritzer's theory of McDonaldization and, then, *discusses* it with some empirical data collected in Penang.

Keywords: Mcdonaldization, Rationalization, Irrationality of Rationality

1. Introduction

While, according to Weber, the classic example of rationalization (formal rational) is the bureaucracy (and the historical process of bureaucratization), Ritzer has argued that today's rationalization is best illustrated by the fast-food restaurant – "especially the pioneering and still dominant chain of McDonald's restaurants" (1998, p. vii). Ritzer has, therefore, dubbed this process of rationalization 'McDonaldization process'. It is "the process by which the principles of the fast-food restaurant are coming to dominate more and more sectors of American society, as well as the rest of the world" (Ritzer, 2000, p. 1; 2010, p. 4).

"The fast-food restaurant is a formally rational system in which people (both workers and customers) are led to seek the most rational means to ends. The drive-through window, for example, is a rational means by which workers can dispense, and customers can obtain, food quickly and efficiently. Speed and efficiency are dictated by the fast-food restaurants and the rules and regulations by which they operate". (Ritzer, 2008, p. 34)

Because McDonaldization/McDonald offers customers, workers, and managers efficiency, calculability, predictability, and control, it has affected "not only the restaurants business, but also education, work, health care, travel, leisure, dieting, politics, the family, and virtually every other aspect of society" (Ritzer, 2001a, p. 198).

This paper:

- *reviews* Ritzer's theory of McDonaldization and, then,
- *discusses* it with some empirical data collected in Penang.

2. The Theory of McDonaldization

While the discussion about Ritzer's theory of McDonaldization is the focus of this section, it is necessary to, first, *briefly* review Weber's theory of rationality. This is because McDonaldization "is an amplification and extension of Weber's theory of rationalization" (Ritzer, 2010, p. 27). However, whilst the model of rationalization, for Weber, was the bureaucracy, Ritzer (2010, p. 27) has viewed fast-food restaurant as the paradigm of McDonaldization (rationalization). Weber's model of rationalization is now reviewed.

2.1 Weber's Theory of Rationality

"Weber demonstrated in his research that the modern Western world had produced a distinctive kind of rationality" (Ritzer, 2010, p. 27), which he called as *formal rationality*. What is formal rationality? Formal rationality, for Weber, means that "the search by people for the optimum means to a given end is shaped by rules, regulations, and larger social structures" (Ritzer, 2010, p. 28).

According to Weber, people in the past had been left on their own to discover for the best means of attaining a given objective with general helps from larger value systems, such as religion. After the development of formal rationality, they could employ institutionalized rules that help them to decide or even to dictate what to do. Therefore, in a formally rational system, people have little choice of means to ends for virtually every one can or must make the same, optimal choice.

Weber was amazed with the *bureaucracy* – his paradigm of formal rationality – which help people discover and perform optimum means to ends. Its most advantages are the four basic dimensions of rationalization.

First, bureaucracy is the most *efficient* structure for handling large numbers of tasks requiring a great deal of paperwork. Weber used the Internal Revenue Service as an example.

Second, bureaucracies place a great emphasis on the *quantification* of as many things as possible. "Reducing performance to a series of quantifiable tasks helps people gauge success". This enables, for example, IRS to handle more cases in an efficient way. "Handling less than the required number of cases is unsatisfactory performance; handling more is excellence" (Ritzer, 2010, p. 28). However, this quantitative approach poses a difficulty for the actual quality of work.

Third, bureaucracies also operate in a highly *predictable* manner because of their well-established rules and regulations. According to Weber, for example, "the millions of recipients of checks from the Social Security Administration know precisely when they will receive their checks and exactly how much money they will receive" (Ritzer, 2010, p. 28).

Finally, "bureaucracies emphasize *control* over people through the replacement of human judgment with the dictates of rules, regulations, and structures" (Ritzer, 2010, p. 29). By only making few judgments people start to resemble human robots or computers. As a result, leaders of bureaucracies can think about replacing people with machines. For example, computers have already begun to take over bureaucratic tasks which were once performed by humans. In addition to this, bureaucracy's clients are also controlled. They may "receive appropriate services in certain ways and not others. For example, people can receive welfare

payments by check, not in cash”(Ritzer, 2010, p. 29).

Although bureaucracy offers many advantages, it suffers from the *irrationality of rationality*. According to Weber, “a bureaucracy can be a dehumanizing place in which to work and by which to be serviced” (Ritzer, 2010, p. 29). Takaki described rationalised settings as places in which the “self was placed in confinement, its emotions controlled, and its spirit subdued” (1990, p. ix). People, in these settings, are dehumanized, for they cannot always behave as human beings (Ritzer, 2010, pp.29–30).

It is now appropriate to review Ritzer’s model of rationalization (McDonaldization).

2.2 Ritzer’s Theory of Rationality

While Ritzer’s theory of rationality is based on Weber’s ideas about rationalization (formal rationality), he has adopted the model of fast-restaurant (McDonaldization). Furthermore, it “brings the theory into the twenty-first century and views rationalization as extending its reach into more sectors of society and into more areas of the world than Weber ever imagined” (Ritzer, 2008, p. 457).

As noted in the introduction, McDonaldization “is the process by which the principles of fast-food restaurant are coming to dominate more and more sectors of American society, as well as the rest of the world” (Ritzer, 2010, p. 4). There are five basic dimensions of the nature of McDonaldization process:

- Efficiency;
- Calculability;
- Predictability;
- Control by means of technology; and
- Irrationality of Rationality.

Efficiency refers to the effort to find the best possible means to attain whatever end is desired. Fast-food, such as burgers, is assembled and even cooked in an assembly-line manner. This means that workers are trained to work this way by their managers, who supervise over them closely. Hence, workers in fast-food restaurants vividly must work efficiently. “Organizational rules and regulations help ensure highly efficient work” (Ritzer, 2001a, p. 199).

For consumers, McDonald’s offer “the best available way to get from being hungry to being full” (p. 198). “Customers want, and are expected, to acquire and consume their meals efficiently. The drive-through window is a highly efficient means for customers to obtain, and for employees to dole out, meals.” (Ritzer, 2008, p. 458) Therefore, various norms – rules, regulations, procedures – and structures have been implemented in the fast-food restaurant so as to ensure that employees and customers act in an efficient way.

Second, *calculability* refers to an emphasis on quantity. “Quantity has become equivalent to quality; a lot of something, or the quick delivery of it, means it must be good” (Ritzer, 2001a, p. 199). “People can quantify these things and feel that they are getting a lot of food for what appears to be a nominal sum of money” (p. 199). They always conclude that a trip to the fast-food restaurant will take less time than eating at home. “A notable example of time saving in another sort of chain is Lens Crafters, which promises people ‘Glasses fast, glasses in one hour’” (p. 199). However, “the extraordinary profitability of fast-food outlets and other

chains, which indicates that the owners, not the consumers, get the best deal” (p. 199). According to Ritzer,

“...customers are expected to spend as little time as possible in the fast-food restaurant. The drive-through window reduces this time to zero, but if customers desire to eat in the restaurant, the chairs may be designed to impel them to leave after about 20 minutes. This emphasis on speed clearly has a negative effect on the quality of the dining experience at a fast-food restaurant. Furthermore, the emphasis on how fast the work is to be done means that customers cannot be served high-quality food that, almost by definition, would require a good deal of time to prepare.” (2008, p. 458)

“Various aspects of the work of employees at fast-food restaurants are timed” (Ritzer, 2008, p. 458). “Workers are expected to do a lot of work, very quickly, for low pay” (Ritzer, 2001, p. 199). This emphasis on speed often serves to adversely affect the quality of work. For example, workers have always experienced job dissatisfaction and work alienation, and as a result, the turnover rates is very high in fast-food restaurants.

Third, “[b]ecause McDonaldization involves an emphasis on *predictability*, things (products, settings, employee and customers behavior, and so on) are pretty much the same from one geographic setting to another and from one time to another” (Ritzer, 2008, p. 458). For example, “the workers in McDonaldized systems ...behave in predictable ways. They follow corporate rules as well as the dictates of their manager” (Ritzer, 2001a, p. 200). Therefore, what they do and what they say is highly predictable, for McDonaldized organizations often have scripts that employees are supposed to memorize and follow whenever the occasion arises (Ritzer, 2001a, p. 200; Leidner, 1993).

“Employees are expected to perform their work in a predictable manner, and customers are expected to respond with similarly predictable behavior. Thus, when customers enter, employees ask, following scripts, what they wish to order. Customers are expected to know what they want, or where to look to find what they want, and they are expected to order, pay, and leave quickly. Employees (following another script) are expected to thank them when they do leave. A highly predictable ritual is played out in the fast-food restaurant – one that involves highly predictable foods that vary little from one time or place to another.” (Ritzer, 2008, p. 458)

As Leidner has argued that:

“McDonald’s pioneered the routinization of interactive service work and remains an exemplar of extreme standardization. Innovation is not discouraged ... at least among managers and franchisees. Ironically, though, ‘the object is to look for new, innovative ways to create an experience that is exactly the same no matter what McDonald’s you walk into, no matter where it is in the world.’” (1993, p. 82).

Fourth, while great *control* could come from structural and cultural systems of McDonaldization, a good deal of that control is from technologies. For the former, “employees and customers find themselves in a variety of McDonaldized structures that

demand that they behave in accord with the dictates of those structures” (Ritzer, 1998, p. 62). For example, the drive-through window structures both what customers in their cars and employees in their booths can and cannot do (1998, p. 62). In addition to this, both employees and customers are culturally “socialized into, and have internalized, the norms and values of working and living in a McDonaldized society” (p. 62).

The latter currently dominate employees, but increasingly they will be replacing them.

“Employees are clearly controlled by such technologies as french-fry machines that ring when the fries are done and even automatically lift the fries out of the hot oil. For their part, customers are controlled by the employees who are constrained by such technologies as well as more directly by the technologies themselves. Thus, the automatic fry machine makes it impossible for a customer to request well-done, well-browned fries.” (Ritzer, 2008, p. 458)

Finally, instead of merely producing rationality, the four dimensions of McDonaldization process have inevitably spawn irrationalities, which has been referred to as the *irrationality of rationality*. For example,

“the efficiency of the fast-food restaurant is often replaced by the inefficiencies associated with long lines of people at the counters or long lines of cars at the drive-through window. Although there are many other irrationalities, the ultimate irrationality is dehumanization. Employees are forced to work in dehumanizing jobs, and customers are forced to eat in dehumanizing settings and circumstances. The fast-food restaurant is a source of degradation for employees and customers alike.” (Ritzer, 2008, p. 459)

With some empirical data collected from Penang, the theory of McDonaldization is now critically discussed.

3. Some Empirical Discussion of McDonaldization Thesis in Penang

The empirical data employed in this discussion is based on a study of McDonaldization in Penang (Ch'ng, 2007). Though the study was conducted eight years ago, the findings are still useful to the discussion of McDonaldization thesis empirically.

In the study, ten respondents were selected and interviewed. It is necessary to note briefly some demographic background of the respondents. While most (90%) of the respondents in the study are Chinese, only one respondent is Indian. Male and female constitute 30% and 70% respectively of the sample. In terms of education background, 90% respondents are degree holders and only one respondent is diploma holder. The distribution of age among respondents are indicated as 70% of the respondents are below the age of thirty and 30% between 45 to 60 years.

While deductive research strategy was adopted, the ideas of McDonaldization are tested qualitatively. The sample was selected through a combination of purposive sample and snowball sampling. Data were collected by in-depth interviewing. The interviews and field notes were analysed thematically (Boyatzis, 1998).

It is possible to identify ten theoretical points from McDonalddination thesis and then compared them with her empirical findings in Penang (Ch'ng, 2007, pp.88–99). These ten points of McDonalddination thesis are as follows:

- *Fast-food restaurants streamline the process of eating, and offer finger foods to enable efficient consumption.*
- *People go to the fast-food restaurant for a quick meal.*
- *Fast-food customers perform many unpaid works in fast-food restaurants.*
- *Fast-food customers believe that they are getting a lot of food for a small price.*
- *Fast-food consumers do not expect the food to be of high quality. As a result, the customers end up paying more for their food.*
- *There are standardization and consistency in every aspect of fast-food restaurant, including the taste of the food, the bahviour and speech of both the employees and customers.*
- *Fast-food restaurants have been structured in such a way that the customers could not linger over meals. For example, 'the chairs may be designed to impel them to leave after about 20 minutes' (Ritzer, 2008, p. 458).*
- *Fast-food restaurants have placed greater emphasis on having overall atmosphere for they often look for theater/fun more than the food itself.*
- *Fast-food restaurants create health problems and poor eating habits, especially among children.*
- *Fast-food restaurants minimize contact among humans. There is no genuine fraternization between workers and customers.*

Let us now discuss these ten points of McDonalddination thesis with some empirical data collected in Penang.

Streamlining the process of eating and offer finger foods to enable efficient consumption

While many fast-food customers, in Penang, have acknowledged and valued the various efficiencies and conveniences created by McDonald's, some have reservation about eating with bare hands.

People go to the fast-food restaurants for a quick meal

Fast-food restaurants are more than a stopover for a quick meal for the fast-food customers in Penang. This is because besides going there for a meal, they have also used the fast-food restaurants for socialization, meetings, functions, doing homework as well as celebrating special occasions.

Putting customers to work

Many fast-food customers in Penang have accepted the self-service system in the McDonald's as something to be very positive because it makes things easier and faster.

Fast-food customers believe that they are getting a lot of food for a small price

Though most fast-food customers have expressed their satisfaction of food served by McDonald's, some have complained that the food is too much for them. However, all the respondents have regarded the prices charged are relatively expensive as compared to the local foods. Nevertheless, they are affordable.

Fast-food consumers do not expect the food to be of high quality. As a result, the customers

end up paying more for their food

The local customers have given different responses to food quality of McDonald's. For example, some have considered the food at McDonald's to be good; others have perceived it as mediocre. However, some respondents have commented that fast food at McDonald's is not worth its price.

There are standardization and consistency in every aspect of fast-food restaurant (such as the taste of the food, the behaviour and speech of both the employees and customers)

Fast-food customers in Penang have generally expressed comfortability in the consistency of the taste of the food at McDonald's. For example, they have found that scripted interaction in fast-food industry as being normal. Some have praised the system for it brings a great deal of benefits. Only a small group of respondents have viewed this standardization critically.

Fast-food restaurants have been structured in such a way that the customers could not linger over meals.

According to respondents, fast food restaurant is like a social centre, in particular, for younger people. They are not in a hurry to finish their meals and are therefore not urged to leave. This is because fast food restaurant is a social centre, especially, for young people in Malaysia.

Fast-food restaurants have placed greater emphasis on having overall more than the food itself

The quiet, cool and comfortable ambience of the restaurants as well as other non-food factor are the major attraction that draws people to visit fast-food restaurants.

Fast-food restaurants create health problems and poor eating habits, especially among children

While people are fully aware of the dangers caused by fast food, they continue to eat fast food.

Fast-food restaurants minimize contact among humans. There is no genuine fraternization between workers and customers.

Whilst there are no personal relationships between the fast-food employees and their customers, the contact among customers is of no limit. This is because the customers come in groups and spend time socializing in the restaurants.

4. Conclusion

Based on the discussion in this paper, it is important, in the conclusion section, to make a few remarks. *First*, the force of McDonaldization has been so profound that not many social settings in today's world have been able to escape its domination entirely. However, the discussion in this paper has demonstrated that not all settings are highly or equally McDonaldized. This means that "[w]hile McDonaldized systems seek to mold consumers so that they behave in a uniform manner, they are never totally successful in doing so" (Ritzer, 2001b, p. 58). One of the reasons is that customers do not always simply act in accord with the demands of McDonaldized systems. People could construct other structures – they certainly modify structures – but recent trends are on the side of increasingly McDonaldized structures.

Second, while McDonaldization can be analysed from the aspect of subjectivity of fast-food customers dealing with this type of rationalization as this paper has demonstrated, it is more a

structural matter. Therefore, some of empirical responses to McDonaldization thesis have to be viewed critically. For example, the respondents' perceptions on the issue of putting customers to work at McDonald's has to be regarded critically. This is because the customers may not be fully aware of their social realities, or they may have false-consciousness about their social realities, and give 'a false expression that the self-service system in the McDonald's as something to be very positive just because it makes things easier and faster'.

However, the fact is that McDonaldized structures:

“have discovered that they can even replace paid employees not only with machines, temporary workers and so on, but also with customers who are seemingly glad do the work for nothing! Here, clearly, is a new gift to the capitalist. Surplus value is now not only to be derived from the labor time of the employee, but also from the leisure time of the customers. McDonaldization is helping to open a whole new world of exploitation and growth to the contemporary capitalist.” (Ritzer, 1998, p. 70)

Therefore, I think, *finally*, that consumers are increasingly exploited, or super-exploited. This nexus between work and consumption and/or the increasing irrelevance of that distinction would be something very interesting to study empirically in Malaysia.

5. Acknowledgement

The motivation for writing this paper came from the personal communications I had with Dr. George Ritzer fifteen years ago. Dr. Ritzer also provided me with copies of some of his books, which have been very useful references for this paper. Therefore, I am extremely grateful to him.

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Two Conceptions of Social Capital in Malaysia

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Abstract

This paper discusses two conceptions of social capital in Malaysian society. The discussion is based on the findings of two separate studies on social capital in the state of Kedah, Malaysia. The first study employed a qualitative approach focusing on two religious communities in the Kuala Muda District. The second study utilised a survey method and had produced a localized instrument for measuring social capital. The findings from both studies illuminate some of the types of social capital that can be associated with the Malaysian social fabric. In the first instance social capital can be conceived as emerging from religious communal setting and comprises three (3) different yet interrelated social realms. These types of social capital can further be differentiated based on levels of social organization – the micro-level and macro-level. The second conception of localized social capital suggests that it can be measured based on six (6) areas of communal relations that can typically be found in Malaysian society. It portrays the importance of considering indigenous social setting in formulating localized conception of social capital. This paper concludes with a discussion on the implications that these findings have on social capital research in Malaysia particularly on how they can be utilised to investigate indigenous conceptions of social capital.

Keywords: Social Capital, Malaysian Society, Religious Community, Communal Relations.

1. Introduction

As a concept, social capital has garnered immense attention amongst scholars for the last few decades. Despite of this upshot in popularity (see Halpern, 2005), the response towards its value as an analytical tool has been a mixed one however. On the one hand the proponents of the concept often praise the idea as something that is very beneficial academically (e.g. as a conceptual tool) as well as in real life (e.g. as a policy tool) (Putnam, 2000). On the other hand, there are sceptics who consider it as being too broad (Macinko and Starfield, 2001; De Hart and Dekker, 1999), meaningless (Halstead and Deller, 2015; Fine, 2001) or downright empty (Thompson, 2011). Essentially, what creates this divide can easily be seen from the variety of definitions offered for what it actually means. Some considers this to be the smoking gun that tells the story of conceptual uncertainty when its comes to the concept's true value (Portes, 1998).

One undeniable fact however is that the concept has been used extensively in many areas of research and even policy. In research, social capital has been shown time and again to be a useful concept in understanding the benefits of such intangible resources as friendship, neighborhood relations, family bond and racial ties (Putnam, 1993; Pekkanen, Tsujinaka and Yamamoto, 2014; Nason, Gonzalez L. and Sharma, 2013, Letki, 2008). In the policy arena, similar usefulness has been shown to have emerged from the application of the concept such as those demonstrated by the The World Bank (2011) and OECD (Scrivens and Smith, 2013). Banking on what is considered the positive side of the argument, this paper argues that the concept has its value if applied with clearly defined scope.

As such any effort at conceptualizing and measuring social capital are deemed worthwhile. Particularly in the case of Malaysia, where the idea of social capital has yet to catch on, there are still much room for local intellectuals to venture into. As proposed by Krishna (2002), social capital should be looked upon as a concept which must be tailored to local situations in order to be useful. It is therefore the contention of this paper that any effort to specify and measure social capital using local setting should be given due attention in order to stimulate intellectual debates and thereby produce more indigenous ideas related to the concept.

As a country that has so much diversity, the task of identifying and measuring social capital in Malaysia can be challenging. A sweeping definition that tends to cover as much ground as possible has very little use in this kind of setting. Similar thing can be said about borrowing existing conceptualizations of social capital to be used in local context since the suitability of such measures can easily be brought into question. It is therefore imperative that a localized conception of social capital be formulated so as to identify the specific nature of the types of resources that can be used to measure it. This paper reports two studies which have been conducted to identify and measure social capital in this country. Both studies represent two distinct ways of conceptualizing social capital which in each case should reflect a localized conceptions of the construct.

2. Social Capital and Religious Life

The first study involves an in-depth investigation into the underlying processes of social capital formation. The study set out to discover how social capital can be conceived based on the actual patterns of community life. For that reason, a qualitative research design and a theory building approach were used to study closely the social relationship that exists in two selected communities in Kedah. The aim was to conceptualize social capital formation based on indicators derived and abstracted directly from data. In effect, the research design represent a non-conventional method of development of theoretical constructs. The outcome of the study was formulated into a framework that describes the typology and mechanics of social capital formation (Ahmad Shukri Abdul Hamid, 2014).

The findings suggest that vibrant communal life is a fertile ground for social capital production. In the two case studies, the communal relationship was facilitated by strong religious affiliation. The choice for the religious basis was deliberate since in many explications, religion was often cited to be one of the major sources of social capital. Hence, in both instances, community members showed a considerable attachment to religious practices. The attachment eventually translates into a highly productive community life in which a lot of benefits were generated for the members. As this study was conducted qualitatively, the evidence for such affiliations were also qualitative in nature. Amongst the observed indicators include:

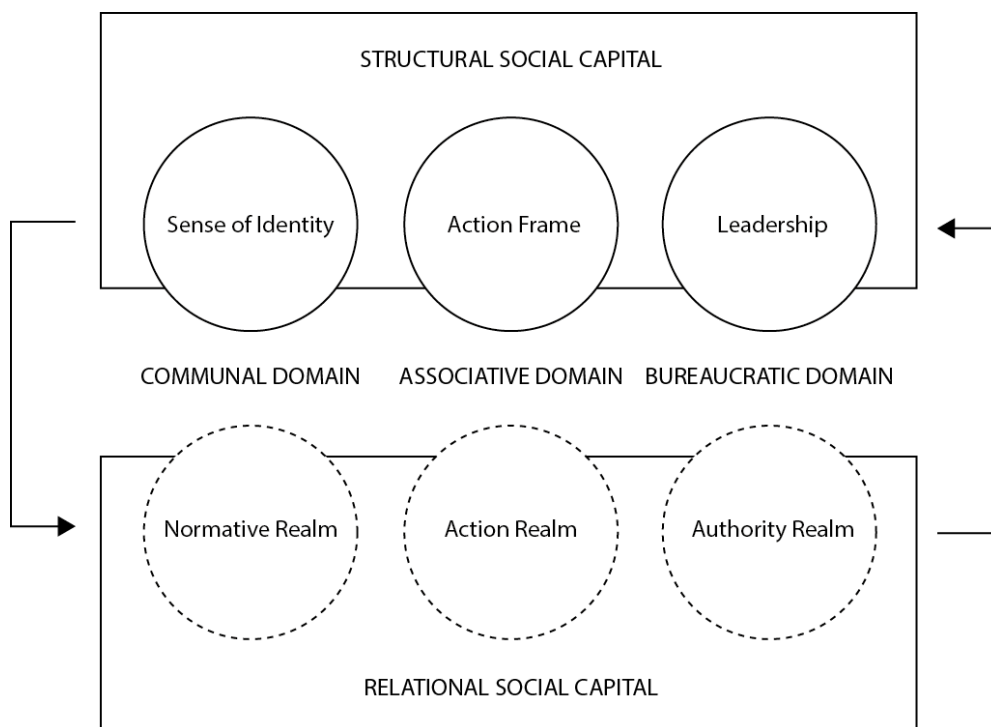
- Strong sense of identity and high regard for community norms and values. Throughout both communities, the presence of shared norms were obvious. By and large community members share common views and demonstrate high admiration and attachment for their community. There was an aura of sense of identity coming from the members whenever they converse about their community. Because of this, whatever norms and values that were shared were observed and adhered to faithfully by community members.
- A noticeably active and influential authority structures that supervise the community affairs. Through these structures, various community activities were organized, the welfare of the less fortunate members of the communities were looked after and

community norms were enforced with noticeable effect. The authority structures were closely related to the religious entities thus making them much more effective in managing the community affairs.

- A significantly high number of people turning up for religious events such as congregational prayer and religious lectures. Normally it is very challenging for a community to sustain a sizeable number of congregants who attend prayer sessions regularly, especially during odd hours such as the before dawn (*fajr*) prayer. Yet in these two communities, the numbers of people involved in such activities are relatively higher compared to other communities.

Further analyses of these evidences suggest that not only social capital can be conceptualized as resources that occur within different social realms, it also exists on different layers of social organization, i.e., the micro and the macro. The findings of this study reflect much of what has been theorized in social capital literature: that social capital is essentially multidimensional in nature. As shown in the framework in Figure 1 the social domains are typifications of different areas within community life capable of generating social capital. These domains are:

Figure 1 : An explanatory framework of social capital formation



Source: Ahmad Shukri Abdul Hamid (2014). The role of religious congregation in the formation of community social capital: A case study in the district of Kuala Muda, Kedah. Unpublished Ph.D Thesis, Universiti Sains Malaysia, p. 307.

1. Communal domain - a social sphere within the community in which people develop and share common values. The agreement people held towards certain set of values, norms and cultural practices is an indicator of the process of social capital production within this particular domain.
2. Associative domain - a social sphere where people actually engage one another through investment of time and energy. A belief in commonness and sharing of identity will amount to nothing if people still reluctant to invest time and money towards realizing them. Social capital is borne not simply out of conviction but also through action.

3. Bureaucratic domain - a social sphere where community affairs are administered, often by a structural entity that functions on behalf of the community. Certain amount of organizational competency is needed to translate different types of resources available in the community into social resources.

Because social reality is often viewed as comprising different layers of social organizations, the production of social capital can also be viewed as comprising of at least two different types: relational and structural social capital.

While the outcome managed to portray the inner workings of religious-based community leading to the production of social capital, the nature of the study itself offers very limited opportunity for generalization. It can be argued that, based on the patterns observed, social capital formation does occur in these two communities as shown in the framework, still, it might be a little bit ambitious to say that the same pattern also occur in other communities. It can however be concluded that in so far as the community bears a lot of resemblance with the sampled ones, such as in terms of the quality of relationship, the centrality of the religious institutions, and the active participation of its members, social capital may have been borne the same way as depicted by the framework.

3. Six Dimensions of Social Capital

The second study was also conducted in the state of Kedah using a quantitative approach (Najib Ahmad Marzuki, Noor Azizah Ahmad, Ahmad Shukri Abdul Hamid and Mohd. Sobhi Ishak, 2014). The study aimed to develop a set of indicators for measuring community social capital in local setting. But instead of developing the indicators from scratch, the study opted to use an existing measure of community social capital as a template. Bullen and Onyx (1998) has developed an instrument for measuring community social capital in five communities in New South Wales, Australia. While in terms of specifics communities that exist in Australia cannot be said to have much resemblance to those in Malaysia, yet the broad contours of community life in both countries (as well as many other countries in the world) are basically similar. For this reason, the study looked upon the existing measure developed by Bullen and Onyx to be a suitable model of measurement to form a basis.

In order to test the suitability of the original indicators in local context, two focus group sessions were organized involving 18 individuals from a local community. During the sessions, the participants were asked a series of questions that reflect the original social capital indicators. They were allowed to discuss freely about how they conceive the same ideas by reflecting upon their own social experiences. For example, in the original set of indicators, the construct 'participation in local community' contains such themes as volunteerism, involvement, membership, roles, participation and contribution. From the focus group discussion it was found that the themes differ quite significantly and were better captured by alternative themes such as responsibility and helping out (Ahmad Shukri Abdul Hamid, Noor Azizah Ahmad, Najib Ahmad Marzuki and Mohd Sobhi Ishak, 2013).

Table 1: A comparison between original instrument and the adapted.

Original Instrument (Bullen and Onyx 1998)		Adapted Instrument	
Social Capital Elements	No. of Items	Social Capital Dimensions	No. of Items
Participation in the local community	5	<i>Penglibatan dalam aktiviti komuniti</i>	12
Proactivity in a social context	6	<i>Proaktiviti dalam konteks sosial</i>	12
Feeling of trust and safety	5	<i>Rasa percaya dan selamat</i>	10
Neighborhood connections	5	<i>Hubungan kejiranan</i>	14
Tolerance of diversity	2	<i>Toleransi kepelbagaian</i>	10
Value of life	2	<i>Nilai kehidupan</i>	12
Family and friends connections	3		
Work connections	3		

Source: Ahmad Shukri Abdul Hamid, Noor Azizah Ahmad, Najib Ahmad Marzuki and Mohd Sobhi Ishak (2013). Developing social capital indicators for Malaysian society: Some findings from a pilot study. Proceedings of 4th International Conference on Education and Information Management (ICEIM-2013), p. 362

Out of the original eight (8) indicators as proposed by Bullen and Onyx, the study had identified only six (6) indicators that can be suitably used to measure social capital locally. Table 1 shows the comparison between the original indicators and the ones that were used in this study.

As shown in Table 1, all except two of the original indicators were retained. The two indicators which were omitted were found to be redundant or irrelevant. For example, it was found that the construct ‘family and friends connections’ was very much redundant with neighborhood connections. This is because in local context the distinction between friends and neighbors is often negligible.

The study proposes that in Malaysian context, social capital can be conceptualized and measured along these six (6) dimensions:

- Participation in local community (*penglibatan dalam aktiviti komuniti*). This dimension refers to the extent to which people get involve in community affairs. In Malaysian context, this translates into behavioral manifestations such as helping people, joining community activities and becoming part of community.
- Proactivity in social context (*proaktiviti dalam konteks sosial*). This dimension measures the extent to which people are willing to take an initial step in making something worthwhile, such as removing obstacles, keeping the environment clean and initiating good deeds. This kind of behavior also involves disregard for compensation or reward.
- Feeling of trust and safety (*rasa percaya dan selamat*). Feeling of safety while alone is one of the manifestations of social trust. Trust is often accompanied by the feeling of safety. In Malaysian neighborhood, the ability to walk alone at night without fear is a significant indicator of social capital.

- Neighborhood connections (*hubungan kejranaan*). Keeping good relations with neighbors is one of the hallmarks of Malaysian society. To a large extent, neighbors rank alongside friends and family in terms of the type of relationship that should be fostered.
- Tolerance of diversity (*toleransi kepelbagaian*). Being a multicultural and multireligious society, Malaysians are accustomed to the idea of racial, ethnic and religious tolerance. Being able to tolerate differences amongst people of different social background is another crucial measure of localized social capital.
- Value of life (*nilai kehidupan*). Value of life measures the outlook that one has over one's life, particularly in relation to one's community. A positive outlook towards one's life indicates satisfaction with being part of a community. It reflects on how one perceives the treatment from the surrounding community.

The findings of the study suggest that localized social capital, while on the outset appears to comprise similar set of indicators as that of the original source, yet the distinction are actually in the way the constructs are defined and conceptualized bearing the conditions and cultural content of local communities. Cultural differences and practices have a very significant impact upon the way social capital are conceived. In similar vein, for a measurement to bear meaningful result, the indicators used to gauge the occurrence of social capital should be made to reflect local customs and practices.

4. Discussion and Conclusion

This paper presents two studies on social capital in Malaysia. The aim is to demonstrate distinct ways the concept of social capital can be conceived within local context. The first study suggests that social capital is a resource that emanate from tight community setting. In this instance strong religious affiliation is the core that makes the community rich in social capital. The findings echo many assertions made by scholars about the nature of social capital - that it can be a social resource generated at the level of community. A significant aspect about social capital that this particular study had managed to portray is that there are at least three (3) social domains which can be found in a typical community capable of producing social capital.

The second study develops indicators for social capital that are deemed suitable for local context. The study utilizes an existing measure of social capital as a foundation for a similar attempt but using local setting. A combination of qualitative interviews and quantitative method of analysis has managed to produce an instrument of measurement. The outcome is a set of six (6) indicators of localized social capital. The resulting indicators are reflective of existing conceptualization but the content and context in which the indicators were produced reveal some significant differences within the idea of social capital as it exist in local setting.

In terms of methodology, the comparison between these two instances of social capital production seems to suggest that a combined method of enquiry might be a more fruitful way of investigating the phenomenon. On the one hand it was shown that qualitative approaches along the line of *verstehen* or understanding them meaning of action from social actor's point of view, as espoused by Weber (1947) (and developed by thinkers such as Karl Popper, Clifford Geerts and Alfred Schutz) and the grounded theory methodology (Glaser and Strauss, 1967) are capable of extrapolating novel and deeply contextual understanding of social capital production. On the other hand, a quantitative approach has been shown to be fruitful in getting the larger picture of the same phenomenon. It is also useful in getting a quantifiable measure of the idea. A combination of these two methodologies within the same

investigation is therefore highly recommended for future study into the phenomenon. This is especially true for a study within the multi-ethnic context where things are much more complex and require more detailed understanding.

Interest in the idea of social capital in this country has yet to bloom. If global trend is an indication, it is simply a matter of time before the idea becomes mainstream amongst scholars in Malaysia. It is therefore imperative that there exist a realization towards the need to generate more localized conceptions of the concept. For a construct that is very complicated and multidimensional as social capital, more research needs to be carried out and more exploration made towards enhancing our grasp of the idea. More indigenous conceptions of social capital will enable more accurate understanding and measurement which is crucial if such understanding and measurement are to be used towards critical ends.

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Teaching Research Methods: Common Misconceptions Related to Random Sampling

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Abstract

This paper is motivated by some common misconceptions among young researchers on random sampling in survey research. In order to identify if these misconceptions are common among researchers, the author conducted a content analysis of 38 journal articles that have been published in peer reviewed journals from July 2013 to June 2014. Two misconceptions were identified among young researchers and in published articles i.e. meaning of random sampling and the use of inferential statistics with data from a non-random sample. The number of published article with these misconceptions is small but it presents a challenge to the teaching survey research methods and graduate supervision.

Keywords: Probability sampling, Inferential statistics, Random sampling

1. Introduction

This paper is motivated by some common misconceptions among young researcher on random sampling when conducting a survey as part of their research. It is based on the author's experience as a research methodology lecturer, trainer and graduate supervisor. Young researchers here refer to undergraduate and graduate students who are conducting a social science research. However, in order to identify if these misconceptions are common among other researchers, the author conducted a content analysis of journal articles that have been published in peer reviewed journals. This paper therefore discusses not only the common misconceptions experienced as a teacher but also similar misconceptions identified in published journal articles.

2. Methods

The content analysis used a sample of 38 journal articles published between July 2013 to June 2014 identified through a search in Proquest Sociology using the terms "random sample" or "random sampling". The sample only included peer-reviewed articles in English published in scholarly journals. There were 39 articles in this search but one was excluded because it was irrelevant to the study. This analysis used a purposive sampling technique, therefore, the findings are not meant for generalization.

The analysis of the articles focused on two aspects. The first round of analysis focused on how the sample was selected in each article. It looked not only if the article used words such as 'random' and 'probability' when describing the sample. In addition to this, it also looked at how the sample was actually selected (i.e. if the author has described the process of selecting the sample). Some of the things identified were how the questionnaires were distributed and to whom it was distributed.

The second round of analysis looked at the types of analysis used in analyzing the data which have been collected from the sample. In addition to this, the author also looked at how the

findings were interpreted and the type of generalization used in each article and if there are any cautions regarding the type of generalization that is being made according to the type of sample being used in the study.

3. Findings

From the author's experience of being a teacher and supervisor for more than ten years, one of the most common misconceptions among young researcher is on the meaning of the word 'random' in random sampling. A random sample refers to a sample which is selected using probability techniques. Examples of random sampling techniques are: simple random sampling, stratified sampling, systematic sampling and cluster sampling (see Blaikie, 2003 and Neuman, 2014 for a detailed discussion on sampling techniques).

In daily life, it [random] can mean unpredictable, unusual, unexpected, or haphazard. In mathematics, random has a specific meaning: a selection process without any pattern. In mathematics, random processes mean that each element will have an equal probability of being selected (Neuman, 2014: 254).

In other words, young researchers have difficulties understanding the technical meaning of the word 'random'. Their understanding is based on the way the word 'random' is used in everyday life. Therefore, many researchers use the term 'random sample' to describe various types of non-probability sampling.

Related to this, they also have problems in selecting a suitable procedure to select a random sample. Random sampling, for example, is often mistakenly used to describe distribution of questionnaires to 'random' respondents, which is a type of non-probability sampling technique (convenience sampling).

Similar misconceptions were identified in the articles. From the content analysis, two articles clearly used the word 'random' to describe convenience sampling. One article, for example, explained that the researchers used a random sampling by distributing the questionnaires to random strangers.

Another common problem identified both in the papers and among students is the use of inferential statistics with data from a non-random sample. Inferential statistics is used to generalize the results from a random sample to the population from which the sample was drawn. This analysis is suitable for data collected from a random sample with a high response rate. This analysis is not suitable for data from a population or if the data was collected from a sample selected using a non-random technique (Blaikie, 2003).

The content analysis showed that seven articles used inferential statistics with data from a non-random sample. The first two are related to the misconception on the meaning of a random sample. Another three used inferential statistics on data from a non-random sample (either convenience or snowball sampling) even though both articles clearly acknowledged that the results cannot be generalized to the population. Another two articles used a non-random sample but used the bootstrapping procedures to do significance tests.

4. Implications for teaching and supervision

Even though the number of articles which show misconceptions related to random sampling

is small, it presents a challenge to the process of teaching research methods. It is difficult for students to understand the need to follow basic statistical assumptions in data analysis when some published articles also do not follow these assumptions closely. Similarly, the technical meaning of the word 'random' is also lost in some of these articles and similar meaning may be used by the young researchers. The discrepancy between what is presented in statistics and research methods text and how it is used in actual research can be very confusing for young researchers and this becomes a challenge in teaching and supervising young researchers. Similar problems may arise when the work of these young researchers are being examined in the form of theses and dissertations. Therefore, it is important that the young researchers understand the basic assumptions related to random sampling and inferential statistics. This would enable them to select a suitable sampling technique and analysis for their study and defend their selection in the examination process.

5. Limitations

Only one database was used to select a sample of published journal articles. Future research should include more databases in the selection of journal articles. This study focused only on articles in sociology. In addition to this, terms used for the search of articles should include other related terms such as probability sampling or sample.

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Misery amongst Depressive Patients: A Phenomenological Study

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Abstract

The article aims to explore the misery conceptualization by having depression. This phenomenological study employed in-depth interviews with six depressive patients who undertook treatments in Penang and Kedah general hospital's psychiatric department for at least 12 months. The respondents consist four female and two male patients. The data then analyzed using the thematic analysis with the assistance of Atlas.ti, version 7.0 software. The initial findings unveiled that feeling of depression includes being anxious, loneliness, hopelessness, unworthiness and suicidal served as a sub-themes of misery. The misery experience is similar between genders; however, vary on the degree of exposure to depression. These findings are consistent with the Diagnosis and Statistical Manual for Mental Disorder V, however, contested with feminist literature particularly in explaining the degree of severe impairment.

Keywords: Depression, Loneliness, Hopelessness, Unworthiness, Suicidal, Misery

1. Introduction

Depression is not alien to our everyday language today. Some scholars postulate that most of the time depression co-existed with an impairment that limits individual capabilities in life (Chonody and Siebert 2008). Patients who seek help in psychiatric unit risks themselves to a great misunderstanding by others (Crabtree and Chong 1999, Crabtree 2012). The social stigma that works based on stereotyping, prejudices and discrimination would impair depressive patients from exercising their rights, for example, the right to be healthy and independent (Corrigan et al. 2014). These social barriers might reflect the neglect of people with mental illness as a working human capital, and pushing them to take the sick role to maintain social exclusion (Boo et al. 2011, Seloilwe and Thupayagale-Tshweneagae 2007).

Furthermore, many conceptualizations of misery in which related to depression monopolized by Western setting research, while evidence was lacking in Eastern setting (Wang 2011). More so, the definition of depression is varied across cultures, depending on how the culture describes and perceived the nature of the illness (Pilgrim and Bentall 1999). This statement supported by Foucault in his book titled 'The Order of Things' that he regards mental illness as a product of socio-historical rather than pathological. He also addresses that the gap created by practitioners are to enhance control over the body through medical practices, which he termed *biopolitics* (Turner 1987). Thus, with the above arguments, the article aims to explore the conceptualization of misery by having depression amongst psychiatric patients.

2. Depression and Gender

Depressive disorder in DSM-V comprises mood dysregulation, major depressive disorder (MDD), dysthymia, depressive based on usage of medical or due to other medical condition

(American Psychiatric Association 2013). Gender is a powerful tool to identify power relations that control access to capitals, resources and opportunities in everyday life. However, it has not been a primary interest for many medical sociologists and social epidemiologists to use gender as a lens for investigation. On the other hand, gender usually utilized to segmenting the diagnosis. For example, male patients usually diagnose as having schizophrenia, anti-social behavior, and substance abuse; while women are more often diagnosed as having the affective and somatoform disorder (Macintyre et al. 1996, Aneshensel et al. 1991, Seedat et al. 2009). Some have reported many health practitioners at the primary care having a high probability to misdiagnose female patients as having a physical ailment such as a migraine or a backache, which in turn making late or no specific treatment given to the patients (Richardson and Puskar 2012).

The aim of the phenomenological research is to understand the lived-experience of a particular event. In psychiatry field, where a biomedical explanation was dominant, most often than not, failed to address the psychosocial environment that is causing the sufferings (Ratcliffe 2015). In phenomenological perspective, sense of isolation occurs due to the absence of intersubjectivity between the experienced and his surroundings. Intersubjectivity is a mutual sharing of thoughts and emotive feeling between the individual who experienced an event with his surroundings. The similar thought process would create a hegemonic of believing and imagining alike unto creating a sense of reality of an event, which often taken for granted (Schutz 1970). In short, Ratcliffe (2015) postulates that intersubjectivity is a world that shared between interpreter and interpreted. In making sense of feminist conceptualization of the depression lived-experience, MacKay and Rutherford (2012) found that the feminists tend to support their explanation of medical discourse, although sometimes undermine the material hardships as a contributor to their depression. Thus, the study acknowledges that biomedical discourse has a crucial role in the conceptualization of depression, but balancing the explication with the individual's material world to make sense their lived-experience (Ussher 1991).

3. Study method and protocol

In this article, the findings presented involved only six respondents (four female patients, and two male patients) in which sufficient for phenomenological study (Creswell 2013). The data gathered using in-depth interview, carried out between November 2014 and February 2015. The recruitments followed these inclusion criteria: a)age 18 and above; b)clinically diagnosed with depression; and c)attending the governmental outpatient psychiatric clinic for at least 12 months. For data collection purpose, two hospitals in Pulau Pinang and Kedah, Malaysia had chosen for field works undertakings. The recruitment made based on the referral by the psychiatrists and/ or medical officers on those patients on remissive stage. During the hiring process, the voluntary participation of the respondents assured in-line with ethical research guidelines. The data were explicated using computerized aided software, namely the Atlas.ti, version 7.0. At this end, the Malaysian Ministry of Health and University ethical clearance have been granted, followed, and the informed consent forms presented.

Misery: The meaning of feeling in depression

This section aims to discuss the results based on the interview sessions with the respondents. Each session took about approximately 45 to 60 minutes. The central question asked during the interview was, "How depression feels like to you?" The respondents consist of four female and two male patients who diagnosed with depression, ages between 24 till 63 years old. The distribution of employment status was varied, four female respondents were amongst

homemaker, pensioner, a college student, and school teacher; meanwhile, male respondents consist of a shop assistant and a business person. Based on the data explication, misery theme was evidence, supported by the subthemes, which discussed below:

Loneliness

Loneliness is one of the main criteria described by the respondents. More often, the sense of isolation occurs when a patient experience adverse life-events that coupled with bereavement (American Psychiatric Association 2013), such as the passing of the loved one. As Fatin described,

“My first experience of depression was... after my dad died that I felt... ummpp... a big hole has left... a chuck like is taken out, that is my safety net.... I didn't know at that point of time, depression... That was depression, I didn't know.” (Fatin, 43, Female, Homemaker)

At the same time, depression tends to withdraw individual from his or her social circle without them notice. The feeling of wanting to be alone might intrigue other sets of the problem, such as relationship distortion that deal with trust. Rokiah, 63, who is a pensioner, identify the withdrawal happened when friends started to visit and shared unpleasant experience about the related illness that she had diagnosed:

“The worry was added up with neighbors who came to tell, their acquaintance or relatives did surgery to remove part of the brain, straight away became insane.... At the beginning they (friends) always visit, asking how am I doing. But I am just like this (refuse to talk)” (Rokiah, 63, Female, Pensioner) [emphasis added]

Simultaneously, a majority of the respondents have the desire to confide the illness that they are experiencing with their loved one. Likewise, most patients believe it is necessary to express the ordeal of over-stimulation explicitly to release the stress they had. However, the majority found that they had no friend to share or communicate with, that sometimes deals with the issue of trust. For example, Nicky, 24, who was a college student, experiencing a mix stressor from troubled family situation, struggles in her studies, and friends to be trusted as it would jeopardize her reputation as a high achiever in her university that might spread rumors at the job market later:

“No, I didn't. I was alone. Because I was scared that my secret of this [illness] was going to.. you know, people knew about it so yeah.... it is, but I am scared the consequences of telling. So it's better for me to keep it to myself so people don't know” (Nicky, 24, Female, Student)

Despite patient susceptible to self-isolation, the problem such as feeling neglected by the loved one's have high possibility to occur. This sense of overly sensitive feeling came from overstimulation of external or internal factors that ruminate inside the individual that cause physical and emotional pain and discomfort. Devi, 28 years old newly wedded teacher felt ignored and lonely when her husband was repeatedly out-stationed to find more job opportunities in the big city.

Similarly, with Chin, 26, who currently working in his father's craft shop, felt his parents were insensitive on handling his grief over his grandmother's passing. The situation gets gloomier when the parents hardly talk to him and most of the time the conversation sparks a heated argument, as he described:

“Ever since my grandmother died, I've been worried. I kind of aimless. My father and my mother, they were less pay attention to me ... I, my grandmother loved me so much. That time, they didn't did not care my feeling after grandmother passed away.” (Chin, 26, Male, Shop Assistant)

Anxiety and loss of interest

Anxiety is usually co-morbid with depression. Anxiety detected in all respondents who illustrated that it just more than feeling of uneasiness but also coupled with physical illness. In one of the case, Rokiah might not aware that her anxiety developed as early as her marriage life, as described by her husband that she used to grumble about almost everything. Moreover, Rokiah described it was even better to stay in the bed rather facing the world. Besides she also characterizes her exhaustion as to why she has stopped doing the house chores and decline on going to feast invitation:

"I've always got tired. Lie down, sleep on the couch until afternoon.... Another thing, I did not want to go anywhere, I like to stay home. If there is invitation to feast, uncle often goes alone, because I wanted to stay home" (Rokiah, 63, Female, Pensioner)

One of the male respondents, Chin, illustrated how his stressors that are job stress and relatives who love to compare him with the others contributing to his ill health. The agitated and nervous feeling that he had shaped a perception of being the target for sabotage, misunderstood by the others, and felt like a loser:

"Aha, I had a lot of stress working there. They assigned a lot of work, and many more to come.... After that I cannot even sleep at night. And I don't have appetite. Always sick, having fever.... Another thing, relatives always asked where I work. I feel very upset. When Happy New Year comes, I was already worried.... They like to compare you and their children. I felt, wah! Feeling stress... always compare!!!" (Chin, 26, Male, Shop Assistant)

Despite fatigue and falling sick, Mail who was previously active in sports described how anxiety attacked his physical health while physician took approximately two years to figure out that he has depression. The fear made him withdrawn from society, worrying that he will be facing physical breakdown while he is alone or in front of other people:

"It is like short of breath... feeling like, Eh! Am I dying? This all numb limbs ... the whole body cold, shivering... find myself having difficulties of breathing, like suffocated.... I cannot work, upset, sitting in the house alone, afraid, really could not get along with people" (Mail, 26, Male, Businessman)

Simultaneously, Nicky who woke up with a panic attack during the examination week was denied with medical help when she seek for assistance at the University's Health Unit. Like other respondents, Nicky also experienced physical symptoms that were uncommon for her. However, the medical assistance who attended her ignored her request to get medical help:

"It has happened somewhere during my 2nd semester of diploma... Okay, so I woke up I had these palpitations on my heart. I realized that these palpitations were not something usual it was more of a panic attack or anxiety attack so I seek help to the Health Unit, unfortunately the doctor said that we cannot help you" (Nicky, 23, Female, Student)

Devi, on the other hand, developed panic attack and phobia when she is facing her school problems. She depicted that she was experiencing corporate bully and discrimination by denying her role and right as a teacher. School, as a small social institution with close-knit members transporting grapevine faster, than in a bigger organization. Worrying about what others might think about her, she was nervous to face her colleagues:

"I start scared and I get phobia. I cannot think of the school, I cannot receive call from the school, when I see the phone call, I cannot! I cannot!" (Devi, 28, Female, Teacher)

Concomitantly, Fatin who was brought up in amongst readers in the family realized she give up reading sometimes ago since she had depression:

“One thing that I realized that I have lost, is, I have lost the interest in reading. I buy magazines every month, I don’t read them.” (Fatin, 43, Female, Homemaker)

Hopelessness and unworthiness

Hopelessness is a feeling of losing hope and despair with the whole world. For a depressive patient, the romantic of perceived hopelessness inundated through misunderstanding and rejection from others. As illustrated by the patients’ experience, despair exists hand in hand with a feeling of unworthiness. In this context, a majority of the respondents reported felt the abjection of being sick and impair from routine physical activities when depression strikes. For example, Devi who expressed that the sense of being bullied by the senior teachers and rejection from teaching her primary subject made her despairs with the workplace and the system as whole that she described as an unfair system:

“... I cannot stand when they were overboard. So when I am ready to discuss (about my subjects), the principal said, “Your confirmation is in my hand”.... So got any problem with principal or whatever, they got the right. They got the right....” (Devi, 28, Female, Teacher) [Emphasis added]

On the other hand, Chin felt hopeless and worthless when he cannot reach the materialistic achievements as his parents and relatives wishes:

“He (dad) compared me with my friend, he said he (friend) had bought a car.... He (dad) said I have nothing. He says, "You only ride motorcycle". Talk... like he always says I am already "out". He said I was "out". He said if one purchases a car, then this is the real achievement” (Chin, 26, Male, Shop Assistant) [emphasis added]

Similarly, for Mail, describes how people misinterpret his physical symptoms as fictive. The transition between being sympathy and empathy become hostile, and disparaging well observed:

"...but sometimes I feel that they do not understand me... For the days of pain, perhaps today they act like this in front of your wife and you, possibly they listen to your illness. Maybe tomorrow they said, “Eh! You always fell sick everyday”. They behave in derogatory manner, "Why you always sick, you have weak antibody". They would talk so many other things. But they do not know how I feel. Sometimes even siblings did not understand." (Mail, 26, male, Businessman)

Surviving in four miscarriages and perceived how her mother failed to console her grief, Fatin in the opinion that support for the loved one’s is crucial to ‘pick herself back.’ Being denied to grief and facing tough environment that portraying sense rejection from her mother in law and family members made her hopeless and unworthy:

“... My child has just died... At the same time, my mother disallowed me to cry.... I felt like the world is coming down on me, you know... I had, I mean I am pregnant... and then I had D&C... then, I was depressed again in Pakistan because I felt my mother-in-law did not... did not... was not happy to see me. She didn’t accept me...” (Fatin, 43, Female, Homemaker)

For Rokiah, her feeling of unworthiness rummage with her menopause’s contemplating feeling that she felt useless that she could not be ‘a good wife’ to the husband. Traditionally, women regard as ‘functional’ when her physical body remained as the same as early marriage on sexuality. This statement expressed by Rokiah’s husband that she agreed during the conversation with both her and her husband:

“There is some other reason, because of menopause, she worries, anxious, I would have other girl, she said go and get marry, she was useless, that I didn’t care for her anymore.... This is her feeling....” (Rokiah’s husband)

Suicidal

Suicidal ideation and attempt are synonym with depressive patients and often the questions asked in a mental health questionnaire. The findings identify at least three respondents who experienced psychotic hallucination during the downfall of depression in their life. Chin who never reported his illusion depicted his episode as the following:

“Last time, at first I heard voices. Now, no more. The voice asked me to commit bad things, like smack other people.... At the beginning, the voices asked me to kill myself, the voices were so loud. Asking me to to cut here [showing his wrist]. I did....” (Chin, 26, Male, Shop Assistant) [emphasis added]

Fatin, who has been hallucinating since her father’s passing described that the voices “suggest” solution to end the pain that she had by suiciding. As a Muslim who still comprehend the teaching that the suiciding is never near to escaping from her problem, she rationalized how she always go back to her Islamic faith to reach her soberness in reality:

“Okay the problem with me is if I am too depressed I feel suicidal. Very easily to feel suicidal that I wanna take my own life.... I do not want to cause trouble to others, let me take my own life. But because I am a Muslim, I have faith, we always hold on to Allah. And I still call upon Ya Allah, Ya Allah, Ya Allah.” (Fatin, 43, Female, Homemaker)

Struggling with studies and depression is not a pleasurable moment for Nicky. According to her, she was lucky to be accepted in one of the local university at Northern Region, and successfully secure a superior notch scholarship in Malaysian university after a rigorous screening. However, her depressive mood growing even more when she was pursuing her dreams where sleepless night and hallucinating episode came frequently than before:

“Okay it was toward the exam week actually, if I was not mistaken was revision week so everybody was revising and I was unable to concentrate so I had moments where I was hallucinating, I was hearing things telling me you know, go jump down a building you know, go find a knife and kill yourself.” (Nicky, 23, Female, Student)

4. Discussion and conclusion

This research examined six respondents who have diagnosed clinically as having remissive stage of depression. The findings identify the conception of depressive sense can be grouped in the theme of misery. It gave a glimpse of challenges to patients with depression struggles in their daily lives. These five sub-themes addressed by the findings consistent with the DSM-V with an explanatory spectrum of major depressive disorder. More specifically, the stories narrated by the respondents are interconnected with other symptoms simultaneously, and how they been pulled from other direction in life, with some of these stimuli conflicting between self, family expectation, workplace pressure, and society anticipation.

The finding, however, did not identify any gender differences in the feeling of depression; however, the experiences vary in degree. In this context, misery can be explained by the subthemes: loneliness, feeling of anxiety, loss of interest, hopelessness, unworthiness, and suicidal ideation. Based on the phenomenological lens, these feeling of loss indicate the actual sense of reality and the current sense of belongingness experienced by the respondents. In this manner, they are not completely disoriented in the life structure, but rather the experiences altered (Ratcliffe 2015). In this sense, it might be appropriate for the patients to feel the way they sense their world, however, contested by the normative embodiment that framed by a western framework of abnormalities. This alteration, on the other hand, encompasses the feeling of impairment and defeats of ability for social pertinent in which consistent with all the feelings described above (Ratcliffe 2014). In the other word, patient

with depression might feel that the intersubjectivity failed to make sense of their current world, which no mutual comprehension achieved by this means (Schutz 1970). In the same light, Garland-Thomson (2002) address the impairment that they felt, is socially constructed by the capitalist and society that such feeling is somewhat inferior and inadequacy that embedded in everyday language. This might answer the question of varying degree between genders of being depressive. The values and norms supplied by the culture eventually framed men and women who suffer from a mental disease deserved discrimination by the authority and public as a whole.

In the nutshell, the study conducted is an early attempt to understand how the patients conceptualize misery. In light of these data, the following implications are offered. Firstly, the study carried out based on a small number of respondents in which suitable for a phenomenological study; hence, generalization is never the goal. However, the result suggests an early attempt to understand the lived-experience of depressive patients to formulate a phenomenological framework that involved 'perceiving, remembering, imagining, anticipating, doubting, believing, and so forth are intelligible possibilities for a person' (Ratcliffe, 2015, p.19). Secondly, the misery is a precursor of psychological disturbances. Hence, developing empathy to create interpersonal relatedness deem vital in order to promote inclusivity amongst the patients (Ratcliffe 2014). Finally, in practical implication, learning on psychological sufferings by the patients would empowering the health professionals and auxiliary staff to create an environment that friendly to the patients and also the caretaker, while minimizing the stigma. The narratives also highlight how it is important to understand the spectrum ensuring patients with depression can boost their potential at the workplace and contribute to the society as a whole.

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Analysing Travel Experiences of Young Travelers at Penang Island using *Netnography* Approach

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Abstract

Travel experience has been enriched especially with the rise of technology among the young travelers. There are many medium available online to express the travelers' experiences while they were on vacation. It has become a necessity for people to capture their holiday by blogging about them and using features such as geotag in social media. This paper is an exploration of young tourist experiences by using the *Netnography* approach. *Netnography* is an ethnographic approach adapted to the study of online communities. This approach is used to observe how young people have carefully chosen images or narratives about places they visit. By employing this observation, such virtual field work has enabled the Internet to be conceptualized as both culture and context for social interaction. The Internet is an open context for social interactions in which practices, meanings, and identities are intermingled. The study had chosen 10 blogs of different authors, consisting of five men's and five women's authors. The aim of this paper is to explore the narratives and images about Penang Island that these authors have reported on their blogs. Initial findings suggested that there are some differences in what the women and men travelers' blogged about. Young women tend to focus on features of food and landscape while the men mostly blog about their reviews of places they visited. Thus, the findings may provide useful information for Tourism Industry, especially in transforming the whole experience of the holiday with the presence of such advance technology. The paper also hopes to revolutionize the way an ethnographic study is conducted, by widening the source of information through the use of an online medium such as social media and online websites. Additionally, this paper contributes to virtual ethnography which is contemporary and is of interest globally.

Keywords: *Netnography*, Tourism Industry, Blogging, Gender Studies, Malaysia

1. Introduction

There is an interesting rise of technology usage while traveling. Many people use the internet to tell families and friends, or even to the public about their traveling experiences. Tourists digitalized stories and images, therefore, in turn, they are being read and share with others. Smart phone are beginning to transform how new generation engage in their everyday lives. Only a few years ago, smartphones are the minority in the mobile phone community, but the multi-usage of this tricky device has rapidly shifted toward increased screen time, especially among youth generation. There are many media available online, especially to express the traveler's experience while they were on their vacation. Therefore, there is a relationship between how young people consume social media in the production of gendered space of tourism (Zhang and Hitchcock, 2014). There are studies of the gendered spaces of tourism, especially to understand the spatial nature of power relations (Su-lin, 2014; Deomampo, 2013; Pritchard and Morgan, 2000). This paper attempts to undercover what are the meaning of entries posted on the Internet, by comparing the differences or similarities (if any) both by

young male and female. Social media was chosen as a study site, as it has become a tool to enhance the understanding of men and women as consumers of travel. As Aspola, Gonick and Harris (2005) argue, the Internet has become an important site for young females to express themselves as individuals, in developing a collective identity and social attitude through dialogues with other young women. It is, therefore, important to understand the link between tourism and self-actualisation as proven by the blog/post/entries in the social media. A thematic and discursive analysis were conducted by looking at blog posts of young travelers at Penang Island, and how do they have systematically narrated their experiences or journeys in a specific manner.

This study is hoped to expand the literature of online communities by examining significant phenomena that occur within the communication of virtual communities. Through a netnography of tourist experiences at Penang Island, this study will also contribute to the void in literature pertaining to the relationship of gender and tourism industry. There have been several studies conducted on analysing tourist experiences online, (Mkono, 2012; Ismail, 2009; Zhang, 2014) and significant findings on adapting netnography study to a specific community (Kozinets, 2002; Kulavuz-Onal and Vasquez, 2013; Ong and Cros, 2012) but literature on gender and netnography is very much none of the existence. Netnographic research methods, thus offer a contemporary alternative complement to traditional qualitative, as well as quantitative tourism research techniques. The techniques commonly used such as face-to-face interviews and surveys may be enhanced with the rise of netnography methods. According to Mkono (2012), it is envisaged that in tourism research, more researchers will adopt Internet-based fieldwork as the volume and traffic of online postings relating to tourism experiences around the world continue to grow. It is also crucial to note that specific adaptations of netnography for tourism research have yet to be considered in detail. Above all that, the steps taken could be an important goal for tourism researchers and consultants who want to embrace the Internet as an expanding fieldwork site going into the next century.

2. Literature review

“Today everything exists to end in a photograph.” (Sontag, 1979:24)

The quote above has accurately mentioned how the culture of taking pictures has developed to a new level. Tourists are more likely to photograph what they see and like. John Urry (1990) has noted how in different societies and especially within different social groups, the tourist gaze has changed and developed. The rise of technology has once again altered how do we see an everyday experience that seems ordinary, to some occasion that people with smart phones have managed to turn into something extraordinary. However, there are also emerging studies that challenge popular view on posting images and experiences on social media and Web 2.0. Authors of the studies point out some problems such as poor security of content and identity theft (Poster, 2006), issues related to the ownership of the content displayed (Tierney, 2010), and the lack of quality of the amateur contributions (Keen, 2007). These are the challenges faced when collecting and analyzing data using the medium of technology.

Analyzing travel experiences online, therefore, is inevitable in the study of tourism, especially looking at tourism industry from gender perspectives. As tourism itself is a product of gendered societies, it follows that its processes are gendered in their construction, presentation, and consumption (Rao, 1995:30). Many of the activities associated with tourism product have alluded to gender dynamics and differences between men and women along the

construction of daily activities. Thus, building on the ideas of John Urry's (1990) *Tourist Gaze*, with *netnographic* approach introduced by Robert Kozinets (2002), the study is an attempt to contend the "normal" ways in which landscapes and destinations are imaged. The matter of how those places and their peoples were perceived through narratives on blogs and social media are then used as main arguments in this study. Over the past several years, many anthropologists, sociologists, and qualitative marketing researchers have written about the need to adapt existing ethnographic research techniques to the many cultures and communities that are emerging through online communications (Kozinets, 1999; Escobar, 1994; Miller and Slater, 2000). The Internet is known as an open context for social interactions in which practices, meanings, and identities are intermingled. It has become a suitable site to probe the different issues associated with the fields of a consumer of Tourism Industry.

Studies on female travelers, however mostly originating from Western countries. They are largely based on the historical record and usually refer to the travel experiences of relatively wealthy women (Butler, 1995; Foster and Mills, 2002; Mills, 1996; Santos, 2006; Siegel, 2004; Turner, 2001). In recent years, studies of the travel experiences found out that women have moved across national borders (Ghose, 1998; Hashimoto, 2000) to constitute a special group with great commercial potential in feminine-oriented travel preferences. Therefore, how do gender and the tourism related? Through the practice of consumption, individuals and groups were exercising cultural capital by expressing taste and articulating a sense of identity. It is often through traveling that women can have a sense of challenging gender roles to create a sense of self and as a means of exercising self-determination and empowerment (Freysinger and Falnery, 1992; O'Neill, 1993; Yonemary, 2004). The motivational dimensions of travelers are a sum of "experience, escape, relaxation, social and self-esteem" (Chiang and Jogaratnam, 2006). By applying the concept as above, this paper seeks to understand the concept of tourist experiences from an Asian perspective, through examining the holiday experiences of young travelers in Penang Island.

3. Research Methodology

In order to investigate the intricate qualitative aspects of the tourism experiences and practices among young travelers in Penang areas, a *netnographic* interpretive methodology was used. *Netnography*, or ethnography on the Internet is a new qualitative type of research methodology that adapts ethnographic research techniques to the study of cultures and communities which have emerged through computer-mediated communications (Kozinets, 2002:2). While *Netnography* is a form of ethnographic research that has been adapted to include an understanding of the influence of the Internet on contemporary social worlds, it has been extended to the analysis of blogs within the context of tourism. Thus, the Internet has become a fieldwork site in its own right. The main characteristic of social media is that they enhance collaboration and sharing of information online because they are built around software which makes it possible for individuals to communicate and form communities using their computers (Cooke and Buckley, 2008). Penang Island was chosen as the location because recently, it has grown into a city where "art lovers" and new trends were rising rapidly. *Netnography* involves some data gathering from various online sources such as social networking sites, chat forums, weblogs, and blogs. Researchers may identify specific online communities of interest, join and participate in them, or simply observe them – a practice known as lurking that may enable an individual to learn about a given virtual community (Zhang and Hitchcock, 2014). Many considerations were taken while adapting this technique as it involves the personal writing of the author, and meant to be read by his or

her blog followers. Comments were left on every page so that the authors were aware that their content was being analysed critically.

3.1 The Selection of Blogs

We have chosen ten blogs entries, with five men and five women authorship in order to make a comparative study of how these young travelers consume their travel experiences through social media. Apart from blogs entries, we have also been looking at social media with the specific “hashtag” such as #penangtravelogue, #penangtrip #penangstreetart, and #penangfood. The function of these “hashtag” is to classify or group together the activities or places visited by the travelers and it has become an accessible content for public. Through these observations on the net, content analysis is used to expedite the coding and analysis of data (Kozinets, 2002).

3.2 Data collection

It was necessary to identify whether a given certain blog was owned by male or female authors. Blogs that are not relating to the subject of holidaying in Penang were also excluded. The final sample turned out to comprise ten individual-owned blogs of five male and five female authors, along with 17 blog posts. It is important to identify the suitable blog post in order to analyse the content within a similar spectrum of interest. It is also a challenging process to identify male authors as oppose to female authors. Most of the time, blog owned by male author lacked the criteria of travelogue experience that the study required. The study required a list of similar content throughout the posts in order to continue with systematic analysis process. By looking and reading the blog posts, it is necessary to try and extract the narratives to a larger picture of what young travelers who traveled to Penang Island focus on when they review the vacation online, and how does it differs between men and women.

4. Analysis and Discussion

Several thematic categories were formed in order to analyse the narratives. The similar categories will enable the data analysis content to be conducted in a systematic manner as Kozinets (2002) has suggested. The netnographer must contextualize the online data as analysis is commencing, in which it proved to be more challenging in the online context of “*netnography*” (Kozinets, 2002: 6). By taking this into consideration, the study decided to categorize the analysis in four categories; food experiences, the local heritage they visited, a new sensation of street art along Georgetown area, and also the type of accommodation they choose to stay in. These categories were chosen because they come out the most in the blog’s discussion.

4.1 Food Experiences

Authors of the blogs have all mentioned these categories in their posts, hence making the analysis process to be an organize one. The majority of the bloggers wrote that their main motivation to Penang Island was to experience its food and delicacy. The selections of food these bloggers choose to feature in their blogs have also affected the popularity of the stall/restaurant mentioned. Geo-tag features have enabled the blogger to share the location of the food stall and thus when readers searched for certain keywords online, their blogs which had “tagged” the location will appear on the search list. The two-way interaction between reader and blogger is how the blog gets traffics. Given the centrality of food and dining

culture in Malaysia, Penang is famous for its food culture. Many of the bloggers recommend similar food stall visited in Penang Island. Generally, foods that were mentioned are famous food sold at the hawker stall. Apart from that, coffee culture also has become increasingly well-known among youngsters who visited Penang Island, especially in Georgetown area. Based on the observation of the blogs, female authors tend to upload and explicitly explain each one of the food and drinks they ordered at every location. Male authors were most likely to upload a bunch of photos without giving any explanation. This shows that male authors enjoy food differently than female. They had included a little detail to the narratives as they might be focusing on the whole dining experiences.

4.2 Local Heritage

Besides the uniqueness of Penang's food, tourists also are attracted to visit the Island because of the abundance of local heritage in the city. Digitalized tourist content in blogs and social media analyses how participative information technology and tourist's reviews of heritage sites contribute to the tourism heritage experience. From these observations, it enables the researcher to examine how social media and user generated content contribute to an understanding of the consumption of heritage sites and discusses new forms of technologically mediated authenticity in tourism (Munar and Ooi, 2012: 3). With the inscription of George Town as a UNESCO World Heritage Site in July 2008, much attention has been paid to its heritage sites. From the observation on these ten blogs, this has become one of the must-do activities when they visit Penang Island. However, most of them were most likely to visit heritage sites that have been altered to their preferences. International tourists especially love to know Penang's history and they paid much attention to visit these heritage sites. From the comparative analysis done on these blogs, male authors tend to have more interest in visiting heritage sites compare to female authors. Female authors who went to religious sites or historical buildings tend to upload several photos to their blogs while male authors spent some time in narrating the historical backgrounds of places they visited. This shows that male has more interest in the historical elements of Penang Island than female authors.

4.3 Sensation of Street Art

Another new sensation that is rising to be one of the top reasons why tourists choose to visit Penang is the emergence of street art all over the city. Street art is visual art created in public locations, usually consisted of unsanctioned artwork executed outside of the context of a traditional art exhibition. In Penang, the collection of street art all over the city mimicked the "life in the city and the wrought-iron caricatures with anecdotal descriptions of the streets that they adorn" (extracted from Street Art's brochure, Tourism Penang). Tourists, local or foreign enjoyed this newest addition to the city and many have shown an effort to snap pictures with the art and upload them online for friends and families to see. In terms of activities done in Penang Island, all ten blogs had narrated extensively about their experiences of visiting "Street Art" along Georgetown area. Penang Street Art has in the past few years enhanced its appeal as a tourist destination. This began with "Marking Georgetown" in 2009, in which it has brought the telling of a street and social history through the use of caricatures. Even though many of the bloggers who came and visited those arts have little or zero knowledge about the history of the paintings, they seem to enjoy taking pictures and trying to understand what the meaning of those paintings/arts. Male authors seem to upload the photo of "Street Art" without having any human subject in it, or in other words, they do not pose together in the photo. However, it is different for female authors.

Their blogs were filled with photos of the “Street Art” including themselves with their friend together in the photo. Therefore, there is quite a disparity in what is chosen to be featured on blogs of these male and female authors.

4.4 Type of Accommodation

There are many types of accommodation offered at Penang Island. It ranges from a five-star hotel to a newly built resort. Apart from that, tourists to the Island also are more likely to stay in alternative accommodation such as boutique hotel or “bed and breakfast” concept place. There are some latest collections of boutique hotels sprouting around Georgetown area. It redefines luxury and comfort to a new whole level. For instance, one blogger has listed down the hotel’s distinct features while soaked in the historical value, as well as being filled with gorgeous interiors. These characteristics are very intricately interesting for the youngsters to get the information as they tend to be influenced by reviews provided on the net. As tourists mostly choose accommodation that suits their personal preferences, it is slightly difficult to do the comparison as some of the authors came with friends or families, thus affected their choice of stay. However, young travelers to Penang Island were most likely to experience an alternative type of accommodation offered by the city. Not only the interior is very much unique as it consists of old, refurbished building. It is also because of the location that situated in the middle of the town that enables them to have walking distance access to hawker stall or even Street Art location. Boutique hotels and cheap budget hostels were most likely to be featured on these blogs as it offers a new experience that is most probably unique in Penang Island.

5. Young travelers in Penang: Blog’s Followers

Based on the observation done through *netnography* approach, there is a significant impact of young travelers who blogged about their experiences in Penang. These bloggers have indirectly served their role as an unofficial tourist guide to their own followers. Through the sharing of stories and information, it has become a way of interaction between authors and readers. The potential visitors to Penang were most likely to be attracted to visit the Island after they have read the posts by these bloggers. The travelogue posted can sometimes leave quite a big impact on Tourism Industry in Penang Island as some of these blog authors have hundreds or even thousands of readers who enjoy surfing through their blogs. Besides from that, due to the easy access of information available on these blogs, it has significantly directed the tourist gaze to what have been hyped on in these blogs. Readers were most likely to be eager to try on what is suggested by the authors in the blogs themselves, thus these authors act like a virtual tourist guide. It has also transformed the need to consult travel agency before going for a vacation in past years. Now, due to the free information, as well as free reviews provided on the net, tourists are keen to consult blog posts rather than paying a high price to know more about the place they about to visit. Thus, the investigation into the blogs of young travelers to Penang Island mirrored the themes of famous cultures and influence of technology that enable tourists to share traveling experiences. The comparative analysis of both male and female authors in their travelogue has shown how both genders differ in some aspects, in which they focused on different things while traveling. Social media are now avenues for people to evaluate and express their experiences of authenticity at heritage sites.

6. Conclusion

What does online travel writing mean? *Netnography* allows researchers to conduct an in-depth reading of individual blogs, thus interpreting author's writing independently, or by cross-comparison. Online travel writing enabled the authors to express themselves without having to limit themselves to anything. They could simply critique a certain restaurant that sells bad food, or review a hotel that provides slow services. Online-sphere has made an ordinary people turned into an independent food critique or hotel reviewer. Reading the blog posts of the bloggers who actively posting reviews of places they visited and food they ate has contributed to this gaze. At the same time, the presence of online reviews as such is transforming the way tourists looking for a travel guide. They were lesser need of paid travel agency due to the information available online free for public usage. Most of the blogs have highlighted the must-visit places for the tourists to plan their vacation to Penang Island, and this has contributed to the community online with useful pieces of information on the net. Thus, *netnography* can be utilized for a variety of studies. With the development of Web 2.0, this study definitely can contribute to the body of knowledge for studies that analyse online media as such. In addition to that, the Tourism Industry can benefit from the presence of technology usage as introduced in the blog posts, and with the rise of digitalized information on the net, young travelers might increasingly being exposed to the history of Penang Island. Finally, the paper also hopes to revolutionize the way an ethnographic study is conducted, by widening the source of information through the use of an online medium such as social media and online websites. The net has proven to be a new medium that managed to transform how people interact and the world has become limitless through the rise of the Internet.

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Double Abandoned: Experiences and Narratives of De Facto Single Mothers

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Abstract

Although a substantial body of literature exist on single mothers in Malaysia, literature that focuses specifically on the livelihood of de facto single mothers is almost non-existent. De facto single mothers is referring to a category of single mothers who are by law not categorized as single mother but in reality they are living like any other single mothers such as “abandoned wives”. The status of de facto single mothers is much more complicated than those single mothers who are divorced because their separation is not legally approved and therefore they do not have divorce certificate. By using in-depth interviews and observation, this paper will explore the experiences and narratives of 5 de facto single mothers in Penang. The findings revealed that de facto single mothers are more vulnerable and marginalised than legally separated single mothers (divorced). The life of single Mother de facto can be divided into 6 phases which include the emergence of marriage problems, separation, adjustment and coping and the life stability phase. It is argued that in each phase, the element of vulnerability is consistently existed involving the feelings of shocks and abandonment. It is also revealed that not having a divorce certificate would also means that they are not legally ‘single mother’. This has led to what is called as “Double Abandoned” phenomenon when not only are they being abandoned by their husbands (or sometimes families) but also by the relevant institutional agencies. It is suggested that the government should seriously addressing the struggles and challenges faced by these de facto single mothers so that a better provision of support and facilities can be made available to this group of single mothers.

Keywords: Gender, Livelihood, De Facto Single Mothers, Malaysia

1. Introduction

Conventionally, single mother refers to a woman who is widowed and had to continue the task of raising children or a woman who has been divorced and was given custody of her children (Rohaty and Mohammed Rais 1999; Bakri 2002). Although there is no precise statistics on the number of single mothers in this country, the increase rate of divorces among young couples reflect an increase in the number of single mothers. In 2000, the number of single mothers in Malaysia is about 620,359 people. The number is only taking into account the women who are widow or *balu* (death of spouse) (529,701) and divorcee or *janda* (90,655) people (Thuaibah@Suaibah *et al* 2004). According to the Organization of Women in Malaysia, female-headed households increased from 126,510 in 2000 to 600,000 in 2004 (Women Development Organization 2004).

Single mother is define as a woman who was not living with the husband and has to fend for herself and also her children; women who are in the process of divorce; woman who has a sick husband and not able to provide for a living and need special care, and women who are raising children without the help of a husband (Rohaty and Mohammed Rais 1999, Bakri 2002). Recently, Ministry of Women, Family and Community Development has redefines the term of ‘single mother’ by categorizing it into three different groups. The three groups refer

to those women who are the head of the family, a divorcee or separated permanently from her husband and has unmarried children staying with her, the head of the family and is married but her husband is not able to work because of his poor health condition and there are unmarried children in the family and the third group is a woman who is the head of the family and has never been married. She has adopted children or children of unconfirmed status. However, the definition seems to ignore the other group of women who are being abandoned by their husbands, often referred as 'abandoned wives'. Abandoned wives can fall into the category of those women who are not recognized by law as single mothers but in reality they are living and facing hardships like any other single mothers because the structure and dynamics of this family relationship is in similar state of any divorced household and families (Bakri 2002). They are still in the marriage because of polygamy or in the process of divorce proceedings which usually will take years to settle but the wives have to provide income for the children after being abandoned by their husbands

Although a substantial body of literature exist on single mothers in Malaysia but due to lack of clarity and inclusiveness in defining single mothers in Malaysia, study that focuses specifically on the livelihood of de facto single mothers is not that many. This paper will be looking at how these de facto single mothers are coping with their livelihood and their experiences of being a single mother de facto. This study is therefore aimed to explore the experiences, challenges and narratives of de facto single mothers.

2. De facto single mothers

It has been estimated that in Malaysia, single mothers make up 5.4 per cent (505,757) of total female population in 2010 (Department of Statistics Malaysia 2010). In Penang, at least two Single mother's Association has 1000 single mothers registered with them. However, the actual number of single mothers in the state of Penang is estimated to be much more. It is even more difficult to estimate the number of single mother de facto in Malaysia because many of them have never registered with any Single Mothers' Group/association. As recently defined by the Ministry of Women, Family and Community Development, single mothers can be categorized in three categories including single mothers who is called as *balu* (death of a spouse) and *janda* (a divorcee). In this paper, we would like to argue that de facto single mothers should include those women who lives or permanently separated without legal divorce but in reality they are living like any other single mothers who have divorce certificate. This would include those women who are abandoned by their husbands with no maintenance (*nafkah*) and no *talaq* is pronounced. They are basically living without the presence of a husband and are responsible for raising her children and manage her family.

Single mother de facto carries the meaning that they are not recognized by law as single mothers but in reality they are living like any single mothers who become the sole bread winners for their families. The life of de facto single mothers is also much more complicated and vulnerable than other group of single mother who are legally divorced. Since they are being abandoned by husbands and are not legally separated, they do not have divorce certificate (*sijil cerai*). In Malaysia, *sijil cerai* is considered as a 'license' for single mothers to get access to government aids and assistance. Not having a divorce certificate would also mean that they are not entitled to any kind of government assistance and support that are available to single mothers who have divorce certificate. Not having divorce certificate will also push further this single mother de facto into a vulnerable life condition due to various challenges such as financial challenges, lack of specialized job skills. They therefore have to undertake multiple jobs in order to make ends meet for the family.

Based on UNDP survey, about 5% of single mothers in Malaysia belong to Single Mother de facto category. Fewer than 60,000 of the 500,000 Malaysian women whom are widowed, divorced or permanently separated receive aid as single mothers⁴. Only 66,243 of single mothers received aid from the Ministry of Women, Family and Community Development from January to June 2013. In Malaysian society, a famous Malay proverb “*digantung tak bertali*” (strapless hanging) and “*salai tak berapi*” (smoked without fire) epitomized the struggle faced by this de facto single mothers. Even though widowhood is the largest underlying cause of single motherhood in Malaysia, women who has been abandoned by their husbands is more prevalent to be living in lower income groups. These women have to rely on their own survival skills in order to support themselves and their families

3. Literature Review

Based on literature review, the study of de facto single mothers in Malaysia is very limited. Women who have not been financially independent during marriage need sustainable financial sources to restart their new single lives, even if they were already earning before becoming single mothers. Poverty amongst single mothers is caused by many factors such as low income job, low income self-employment, unemployment, low education level, lack of sufficient skills and age factor (Rohayu et al 2011; Faizah and Azian 2013; Diyana et al 2009). At the same time, single mothers also have to face challenges such as the issues of stigma, role conflict and emotional relationship with children, court visits and problems in dealing with ex-husbands (Upasana and Sunita 2012; Diyana et al 2009; Hamid et al 2010) and lack of formal support (Noraida et al 2015).

In other countries such as Africa, other factors of being single mothers are poverty, migration from the rural to the city and rapid urbanization. In Zimbabwe, studies have shown that being a single mother is also connected with labor migration, for example the wives were ‘left-behind’ because their migrant husbands are absent for extended periods. Sometimes the migrant husbands will send back remittances on a steady basis but there are also cases where husbands disappeared after migrating to the city (Kang’ethei and Mafa Itai 2014; Meda 2013). Men may initially leave home to earn wages for the family’s benefit but their commitment sometimes fades and they tend to loosen their loyalty to the family left behind. Migrant husbands often constitute new families in the place where they migrate without formally breaking the ties with their first families.

4. Conceptual Framework

The conceptual framework used for this study is based on the vulnerability context perspectives. It will be used to explore the livelihood of de facto single mothers, their challenges and constraint. Based on the Sustainable Livelihood framework, people are considered to live within a vulnerability context which implies that they are exposed to risks, both through sudden shocks (violent, unexpected events such as natural disasters or economic crises and price fluctuations), stresses (changes in laws and policies) and temporal changes such as seasonality which is considered low-level environmental stress to livelihood strategies and means that the availability of resources increases or decreases depending on season. These external factors are generally impossible for people to control, forcing them instead to adapt their strategy by morphing it into a coping strategy. These coping strategies can include lending money, sales of physical assets and/or the usage of stocks. With regards

⁴ “Deputy Minister: Fewer than 5% of single mothers receive aid”, Star Online, November 2013.

to the human geographic theoretical framework of place, it is also necessary to analyse the place people live in, not just from a vulnerability perspective but also seeing possibilities and how people make use of place (practice place) in order to further their livelihood goals.

5. Research Methodology

A series of in-depth interviews were carried out with de facto single mothers. Their names were suggested by the two Penang Single Mother's Associations. Since this is a preliminary study of single mother de facto, this paper draws on the narratives of five respondents from a total of 15 respondents. The respondents are single mothers who are Malay, age ranged from 30 – 60 years old and either being left by husband or left her husband for reason of not being provided with maintenance, taking another wife (polygamy), having an affair with another women and domestic violence. Only three of them received secondary education while the other two only received primary education. Three of them are working as factory workers and the other two are housewives. Majority of them are having between 2 – 6 children. Respondents were encouraged to share stories about how they dealt with their husbands' behavior and the day when they decided 'enough is enough', the coping strategies they developed when dealing with the incidents, their experiences with Religious Department and the court and how they found support to deal with the issue. This paper takes a narrative analysis approach, using the narratives of respondents as empirical evidence from which anthropological information can be drawn (Franzosi, 1995).

6. Analyses and Findings

6.1 Single Mother De Facto's Phase of Life: Vulnerability Phase

The life of single Mother de facto can be best approached in a phased way which can be divided specifically into six phases. These 6 phases include the phase where marriage problems started to emerge, separation phase, adjustment and coping phase and finally life stability phase. In each phase, the element of vulnerability is consistently exist which includes the feelings of shocks and feeling of abandonment. Majority of respondents claimed that problems started to emerge in their marriage when their husbands began to show a changed of behavior after they found out that their husband were having affairs with another women and practicing polygamy. Financial problems due to husbands who were unemployed have led to an abusive relationship. One of the respondents, Narimah still remembers the day when her husband used to be a very responsible husband but after a decade of marriage her husband "became another person" after he decided to take another wife who happened to be her good friend at work. She said, "...right after he married, he seldom came home and never give me anymore nafkah (maintenance). He used to come back once a week but now not anymore". Rosiah who is unemployed claimed that her marriage started to crumble when her husband were having an affair with several women. Her husband was unemployed throughout their marriage and she was the one who provide income for the family.

"...he is very hot temper, never care for the children, always called his children with names. He can just leave us for a few weeks and sometimes for months. When he is not around, things would be very quiet, so peaceful and my children are happy too. Then, out of the blue, he will come back home again and started asking for money and continuously getting angry at his children. After a few years, I said 'enough and enough'".

As for Salbiah, her describing her 15 years of marriage as a “happy marriage” but never expected that leaving him was the best options. Salbiah said that, “...he was a good husband when he was younger but had a changed of behaviour when he was in his 50’s after mixing with ‘bad people’. He began to leave us for an extended period of time. He used to give nafkah but not anymore as most of the money was spent on gambling and women. Things become too exhausted after constant fighting and argument. One day he showed up at my house and I warned him not to step into my house as I heard from a neighbour that he already pronounced talaq (divorce) in front of his friends at the nearby coffee shop. Since then, I never see him again”.

6.2 Journey to the Court

The court experiences are the most emotional and exhausting journey as described these de facto single mothers. Throughout this journey, they felt embarrassed, feeling abandoned and sometimes they feel “numb” as they did not know what options they have to deal with the next phase of their lives. During the coping phase, many respondents took a few months to finally have the courage to go to Religious Department and Shariah court to seek advice on her status and to find out procedures for divorce application. Narimah narrates,

“...When my husband found out that I went to the Religious Department to find out about my status and the procedure to apply for a divorce, my husband scolded me, “...why are you asking me to go to the Religious Department when I don’t have any intention to divorce you”. So, stop going to the Religious department.”

When asked whether she really wanted to get a divorce, Narimah took some time to say,

“...I don’t really want to ask for a divorce. I was advised by an ustazah not to ask for a divorce because my husband did not want to divorce me. If I kept on asking for a divorce, I will be accused of “shaking up the Arasy of the Lord”. That’s what people always say.”

Narimah admitted that it was not so much about the journey to the court that she decided not to proceed with divorce application. It was her children who told her not apply for divorce and instead told her to just “ignore him”. According to Narimah, her children still love their father and did not want their father to be seen negatively by neighbors and their friends who were also working at the same Religious Department. As for Salbiah, after having two failed marriages, she described the journey to court was such a tiring and exhausting journey - physically and mentally. For her, divorce certificate was not that important anymore as she never has any intention to remarry. She just wanted to lead a “peaceful life” with her children.

Frequent trips to Religious Department as experienced by these de facto single mothers has not only cost them with physical and mental stress but also affected their working hours and their relationships with colleagues and employer. Zubaidah, for example, who works as factory worker, sacrificing her whole annual leave so that she could go to the Religious Department to find the status of her divorce application.

“... Now, I don’t have any more annual leave to take. My manager warned me if I kept on taking on leave, I will lose my job. At this moment, my job is more important than the divorce certificate. But, without it [certificate], my life will always like

this...vulnerable.”

6.3 Economic Challenges

Financial and childcare is the two biggest challenges faced by single mother de facto right after the separation phase. Based on the table below, majority of single mothers have to find new sources of income after the separation process as they need to support their children as some of them did not anymore receive any assistance or maintenance from their husbands. For example, Naimah who used to work as factory worker and earned around RM1000 had to resign after her husband taking another wife. She had to do different kinds of small business to survive. Meanwhile, Salmiah had never had any working experience but she was forced to work different kind of jobs to support her children which include becoming bus conductor and part-time factory worker.

6.4 Government Policies and Assistance: *Life without Divorce Certificate*

As described by one of the respondents, “...*life without divorce certificate is so bleak. I am stuck,... don't know where to go*”. As explained earlier, going to Religious Department and Sharia court for divorce proceeding was such an exhausting experience. Similar to that, the respondents' frequent trips to various different government agencies to seek for financial assistance were even more frustrating and sometimes they faced humiliating experiences. Rosiah claimed that “...*I never get any assistance. I have to write many letters to seek financial assistance or donation*”. Safia, another respondent also claimed that she did not get any assistance and she did not even know where to apply. “...*I am still busy with the court case and now depending fully on my salary and my parents for the childcare*”. Julia was not that lucky when her assistance discontinued after moving to another state. Julia explains, “...*I used to get financial assistance from MAIM and Social Welfare. When I moved here (another state I was told, “..you are not single mother [since she cannot produce divorce certificate]. If we give you the assistance...what would happen if your husband coming back again? So, that's it. Now I don't get any financial assistance. I don't know where to ask anymore? Without divorce certificate, life is hard. Now, I just stop [asking]*.”

Based on the experience and narration above, not having divorce certificate becomes a major obstacle for single mother de facto to rebuild their life after being abandoned by their husbands. Divorce certificate is considered a “gateway” for single mothers to seek a suitable assistance but the journey to get the certificate is such an arduous journey because the challenges are coming from both sides, husband and relevant government agencies. It is hard to get husband's cooperation to attend divorce proceedings and at the same time they are being sidelined from getting access to financial assistance by the local authorities for not having ‘divorce certificate’. Majority of respondents felt that they were being abandoned not only by their husbands but also by the system that are supposed to assist them which lead to a phenomenon called “double abandoned”.

7. Conclusion

The aim of this paper is to provide the narratives of de facto single mothers on their vulnerabilities for not having divorce certificate. The general finding shows that the status of de facto single mothers is much more complicated than those single mothers who are divorced because their separation is not legally approved and therefore they do not have divorce certificate. The lack of support in terms of policies and government assistance has

increased the rates of poverty among de facto single mothers particularly those who have small children. Rather than viewing the challenges faced by these de facto single mothers as individual struggle, government intervention is critical to interrogate the lack of support and to evaluate policy making to ensure good governance has been practiced. Government should not view single mothers as one homogenous group. Serious focus and attention should be given to de facto single mothers in order to enhance the wellbeing and livelihood of the group by providing them the needed support, facilities and opportunities so that they are not being abandoned for the second time.

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Digital Identity, Digital Other, Digital Community: Malaysian Youths' Experience with Social Networking Sites

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Abstract

This paper discusses the project of digital identity construction in popular social networking sites (SNS), such as Facebook and Instagram, by a group of Malaysian youths residing in Penang who were active SNS users. Acknowledging the significance of SNS in these youths' social life, this paper discusses the project of digital identity construction and performance in this "nonymous online environment". Through a series of in-depth interviews and observations on selected SNS, the findings show that their constructed digital identity feed from their offline identities, while their digital others occupying their immediate digital community (i.e. Facebook friends and Instagram followers) validate their digital identity. Visual uploading and sharing, as well as status updating are some ways in which one construct, exhibit and perform one's digital identity. However, unlike offline interactions that are more fluid and context-based, online interactions in the form of digitalized self and others take place in a "collapsed context", i.e. one's different roles and identities towards one another are played out in one context. Thus, this gives rise to issues pertaining to digital identity. One's offline identity and role towards one another are mashed up with one's digital identity towards many digital others in this "collapsed context". As digital identity feeds from offline identity, respondents struggle in keeping up with their many offline identities and roles, as their digital others range from family members to school teachers and current close friends. This study shows that digital identity construction and management among this group of urban Penang youths is a reflexive activity. They continuously monitor their digital environment and its inhabitants, and are deeply aware of the kind of identity they want to present digitally. This paper argues that it is precisely the struggle over maintaining one's digital identity that explains youths' ownership of more than one SNS account.

Keywords: Digital Identity; Digital Others; Social Networking Sites; Facebook; Instagram

1. Introduction

Over the years, many reports have emerged on various aspects of Malaysians' usage of the internet, which have included among others the amount of time Malaysians spent online, the types of online activities Malaysians engaged in, as well as internet penetration into Malaysian households and schools. For example, according to a report released by United Nations' International Telecommunications, as of 2012, internet penetration across all age groups in the country was high, at 66%. With this high penetration rate, the same study also reported that 13.4% of Malaysia's 3.9 million population is categorized as "digital natives", making Malaysia among the countries with the highest percentage of "digital natives" (cited in *The Malay Mail*, 12 October 2013). Another study also reported that 87.9% of Malaysians on the internet access Facebook, and that as of July 2013, there are 13.3 million Facebook users in the country, with those aged between 18 to 24 years old reported to be the highest users, making up 34.5% of the total number of Facebook users in the country (cited in *Borneo*

Post Online, 16 June 2013). These reports then point to the fact that a large proportion of Malaysians, especially the youths, are internet-inhabitants and that social networking sites, especially Facebook, provide them with an online platform where interactions take place and reality is extended and constructed.

Amidst this trend of Malaysians going online, there have been a surge of research interest on social media and social networking sites among researchers. Social media has opened up a new space for political engagement in countries that has a tight control on traditional media or curb freedom of expression. Malaysia certainly falls under this categorization. As such, many studies have looked at, among others, the issues of political participation brought about by social media as well as the role and impact of social media on Malaysia's political landscape especially in the 13th General Election in 2013 (see for example, Weiss, 2012; Mohd Azizuddin Mohd Sani, 2014; Gomez, 2014). Similarly, because the Internet has been incorporated as a learning tool with programs initiated by the government (for example, the Smart School project and the Malaysian Grid for Learning), studies done in Malaysia tend to focus on usages of the Internet, especially among young Malaysians, as well as the effectiveness of e-learning towards academic achievement (see for example, Adam Mahamat Helou et al., 2012; Norsiah Abdul Hamid et al., 2013).

In light of this development, this research departs from existing work on social networking sites (from here on written as SNS) such as those mentioned above by looking at youths' engagement with SNS, focussing on identity construction and performance that takes place online. Informed by studies conducted elsewhere, particularly the west, SNS are used by youths for socialization and have become an extension of offline life (see for example Ellison, Steinfeld and Lamp, 2007). As no such studies have been conducted to look into this aspect, this paper is an attempt to understand Malaysian youths identity construction on SNS. The paper takes the position that the youths in this study live in an environment whereby online activities, primarily that occurring on social networking sites such as Facebook and Instagram, are part and parcel of their everyday practice. As an extension of this, their online activities constitute an important aspect of their daily routines as well as their identities. The latter is the focus of this paper.

As part of an on-going research on the usage of various SNS among Malaysian youths in Penang, an initial key finding reveal that these youths have preference for one SNS over another. The reason for this is tied to each SNS' role to gratify their needs. When these needs are not met, there is a tendency to move away from one SNS to another. The youths in this study expressed preference for Instagram over Facebook for reasons related to their "friends" on Facebook and their "followers" on Instagram. In fact, Facebook has acknowledged the decrease in teens' usage of Facebook, moving away to picture or visual based Instagram or a less complicated and seemingly discreet Whatsapp and SnapChat. One of the reasons given to this trend is the overwhelming parents' presence on Facebook, making it difficult for teens to "hang out" with friends and act "cool" while in the presence of their parents. The aim of this paper is to give a sociological analysis on why youths migrated from one SNS to another by relating this trend to digital identity construction.

Data for this paper is derived from a series of in-depth interviews with 20 youths, aged between 18 to 25 years old and are active SNS users. The respondents were introduced to the researcher through a snowballing process. Interviews were conducted at least three times, were audio recorded and were carried out at places convenient to the respondents (usually coffee shops). The interviews were guided by a set of questions but were done in

conversational style. This is to establish rapport with the respondents as subsequent interviews revolved around their daily routines and other personal aspects of their SNS usages. Except for 3 respondents, the rest of the respondents allowed the researcher to have access to their Facebook and Instagram accounts. This has enabled the researcher to conduct observations on their respective accounts. Observations on their respective account were carried out for a period of two weeks. Interviews were transcribed and SNS accounts were content analyzed. Both were then analyzed according to emerging themes. All of them have Facebook and Instagram accounts and are active on Whatsapp. Some also use WeChat and Twitter. Most of them were MySpace or Friendster users earlier on in their lives. A few of them own accounts with Tumblr and Flickr but confided that they are no longer active users. As for their demographic breakdown, 6 of them were males and 14 females, all of them resided in Penang either temporarily (due to attending college and university) or permanently. Although ethnic difference is not the focus of this study, it is worth mentioning that 12 of these youths are Malays, 6 Chinese and the remaining 2 Indian.

2. Literature Review

Today's online activities are not limited to gaming and emailing as they were when internet was novel to many. It is safe to say that online activities now mirror offline activities. More often than not, the outcomes of online activities are felt or dealt with offline, and likewise. Thus, online space is a reality that has to be understood in order for us to deal with it better. Experiments using immersive virtual environment technology have shown results that strongly suggest that people do interact with virtual others as social beings (Bailenson, Blascovich and Guadagno, 2008; Bailenson, Blascovich, Beall and Loomis, 2001). This further gives credit to the claims that interaction online can be understood using established framework on face-to-face interaction, particularly that developed by Erving Goffman (1959).

Having an account on any SNS require one to "write oneself into being" (boyd, 2007) onto the profile pages, giving information about, among others, one's interests, history, likes and hopes, as well as to put up one's (usually) best picture forward. It is through this process that one self is enacted and digitalized into an online presence with the use of, primarily, text and images that are shared and made visible to online others, who are similarly digitalized. Thus, one's profile page on SNS, be it Facebook or Instagram, reveal at least a snapshot of who one is—one's digital identity—and what one is up to—one's digital activity: one's status update give a glimpse of one's mood, thoughts and what one is doing, sharing a video of one's favorite act reveal one's social allegiance, and one's list of "friends" and "followers" (both who they are and how many there is) indicate one's online presence and network. Because interaction on these SNS take place on one's profile page (i.e. giving "like" to a someone's status and pictures, leaving a picture of a birthday cake on a friend's profile page), usually taking the cue from one's updates, researchers have called this to be seen as "performances" in the "impression management game". Given the centrality of SNS in the lives of many youths, SNS are seen as a platform for "perpetual contact" (Joinson, 2008) with one's "friends" and "followers", creating a social network and community that is digitalized, where various boundaries in social life are increasingly blurred, including that between work and leisure, and entertainment and education (Livingstone, 2005).

Earlier studies on the Internet have argued that it offered a platform for individual to experiment and explore with different versions of self that might not be readily available in face-to-face interaction (see for example Turkle, 1995). This speaks about the relative

anonymity that characterized early online interaction (that took place in online chat rooms) which freed individuals from certain expectations, constraints and taboos of face-to-face interaction which in turn allows them to express their “true self” (Bargh et al., 2002) that may be entirely different from their offline personas. However, as the Internet matures over the years, it is becoming too simplistic to see it as offering anonymity all around especially in the wake of many social networking sites, such as Facebook, that invite users to “connect with friends”. As such, the anonymity of the Internet has been relooked as studies suggest that the online or digital identity created and presented is a (partial) representation of one’s offline self that one has carefully chosen to share and project digitally (Gatson, 2011). Zhao et al. (2008) characterized Facebook and other popular SNS as “nonymous” online environment, challenging earlier understanding of the Internet.

In applying Goffman’s impression management framework to online interaction, Barash et al. (2010) studied how Facebook users “give” and “give off” information about themselves in their profiles. They found that while generally Facebook users are successful in creating and presenting a positive image of themselves, there is a fine line that they may “give off” cues that may come across as self-important by their online friends. However, what this study did not note is that online impression management and identity construction are more complicated as it involves one’s many social roles and personas to many digital others that make up one’s digital community in the “nonymous” SNS environment that is very much anchored to one’s offline lives.

2.1 Theorizing Online Performance

The discussion that follows draw from Erving Goffman’s dramaturgical perspective (1956) that was further applied and developed by many researchers to understand how individual construct and reconstruct, and later perform and manage their online identity as part of online interaction. This online identity is referred to as digital identity in this paper because the identity, performance and interaction that were written into being in these SNS are in digital forms. The youths in this study are viewed as possessing a high degree of individual agency as they engaged in what Giddens (1991) termed “the reflexive project of self” in routinely creating and performing their digital activities as exhibited in their SNS accounts. As such, these youths are the author of their digital biography. Goffman’s front stage concept, loosely defined as the context in which interaction and performance take place with the presence of audience, is applied to the youths’ profile pages as it is here that their digital identity is made known in the presence of their digital others. It is on the front stage that context—or to use a symbolic interactionist’s term, definition of situation—is made clear so that performance can be successfully maintained in “the face of multitude of potential disruptions” to this single definition of the situation (Goffman, *ibid.*). However, it is not as clearly cut in the case of digital performance via SNS. Youths have to deal with “collapsed context”(boyd, 2001) where multiple definitions of situation by their digital others’ of who they are offline as digital identity is constructed, maintained and performed in a digital environment.

3. Findings and Discussions

Because the respondents in this study are active SNS users, they are constantly engaged in a hoard of activities related to SNS, ranging from photo uploading and sharing, status updates, information sharing, status commenting as well as giving and receiving “like”. This is seen as one of the ways in which digital identity is constructed and maintained. In this process however, they are also faced with digital others who may disrupt their digital performance

from time to time. This paper discusses two ways in which these youths see their digital identity and two strategies adopted by these youths to overcome disruptions.

3.1 “The True Me” vs. “The Formal Me”

One of the recurring themes from the analysis is the issue of how they portray themselves on the various SNS they own and how they want the digital others in the specific SNS to see them. This is best exemplified by 21 year old Arief. He explained that he presented himself in the “most formal way I could” on his Facebook account, but was quick to add that “but that is not the true me”. It is in his Instagram account that he presented the “true” him—as someone who is out and about having fun and enjoying life. All the 20 respondents were aware of the different way they presented themselves on Facebook and Instagram. In fact, they had chosen to do so. At the same time, none of them see this as a form of deception or a creation of new identity, as aptly put by 20 year old Susan: “both (her identities on Facebook and Instagram) are me...but to different people”.

As most of the youths in this study started out with Facebook first and then Instagram, they admitted that they were more selective of their Instagram followers. This is in order to maintain the digital identity that is closest to their “true self”. They do not want to repeat the “mistakes” of accepting “just about anybody” like that they did on Facebook. Thus, while maintaining their Facebook accounts, they see Facebook as a site where a more composed and formal digital identity is portrayed.

3.2 Multiple Digital Identities, Multiple Digital Others, One “Collapsed Context”

Consider the following excerpt from one the most expressive respondents in the study, a 21-year old female university student who described herself as “not the normal university student you know”. She related a weekend get-away in Kuala Lumpur where “I had to update my Facebook since my parents know I do that regularly. So I had to post pictures of myself throughout my weekend stay...Of course these are “good” pictures of me, the way my parents want to see me...I had some pictures of that party on my Instagram though...”

Related to the above discussions on “true me vs. formal me” is the issue of how the respondents portray themselves digitally on their SNS. Especially in the case of Facebook, like Nurul, the youths in my study came to the realization that as far as digital identity is concerned, it is not the case of one digital identity fits all digital others. These youths were faced with an onslaught of definitions of who they are by their many digital others. Outside the context of SNS, these digital others have very specific roles in the lives of these youths, i.e. uncles, fathers, high school friends, teachers. Similarly for the youths who are, for example, a niece, daughter, high school friend and student, to their digital others offline. Their digital others’ definitions of who these youths are, or what their roles are, are very much entrenched in the “real world”—it is specific, it is almost always singular and it is quite fixed. SNS made it difficult as there is only one context where all these roles and identities were collapsed. Thus, the digital identity of these youths are multi-sided with multi-roles presented to many different digital others who know them differently in different passages of their lives.

3.3 Strategies to Eliminate Disruption 1: Goodbye My “Friend”

One way for these youths in this study to handle disruption is to, in the words of 19 year-old

Cassandra, “clean up my long list of friends every now and then”. Digital others who were dropped off their friends’ list are those who do not observe the etiquette of online interaction, thus disrupting the youths’ digital performance. Additionally, those who were just there but did not make any impact to youths were also eliminated. This strategy is often applied to acquaintances who they have accumulated over time as their online friends and followers, but became problematic when put together in the same context with their other “friends” and “followers”. Nevertheless, this strategy comes with a price, usually paid offline. Mei Yun (23 year old student) reported that her aunt was “unhappy and offended” when she was removed from her Facebook page, expressing her feelings many times during their offline interactions.

3.4 Strategies to Eliminate Disruption 2: Become the Observer, Not the Observed

Another strategy worth mentioning is to remain inactive, and this is especially true in the case of Facebook. Online activities such as sharing of postings, commenting on digital others’ posts and statuses as well as posting pictures are kept to the minimum. However, despite this low level of digital presence, the youths in this study admitted that they still check on their Facebook feeds in order “to know what friends are up to”. In this sense, they take the role of the observer and refused to be observed. This in turn points to the importance of maintaining SNS accounts, especially Facebook, in their daily routines. With this strategy, the chances of their digital identity being misunderstood by their many digital others are kept in check.

4. Conclusion

Social relations are maintained through interaction. In the case of offline interactions, contexts—such as work place, family setting, public space—are important in giving some sort of structure and social cues. Additionally, it is through context that one identity is made clear to the others. Characterized by what has been termed as a “collapsed context”, online interactions on SNS are multi-dimensional with multi-roles and multi-identities at play in one context. Going back to the question posed earlier on why youths have more than one SNS accounts, this particular characteristics of SNS posed a problem to these youths as they tried to juggle with their many digital identities. Just like their counterparts in other counties, the youths in this study do not use SNS to experiment and create a new identity. Their digital identity feed from their offline identity. Similarly, their digital others are people they have contact with offline, at one point or another of their lives.

While Facebook and Instagram remain popular and relevant for many youths for socializing as well as a source of information and education, youths will migrate to other SNS that offer easier option in managing and maintaining their digital identity. Whatsapp and WeChat are two examples cited by many of the youths in this study. While Facebook and Instagram started out as a platform for socializing, it remains to be seen as to whether the users will continue to use these SNS for that purpose given the complications of maintaining various digital identities.

5. Acknowledgement

The author wishes to note her acknowledgment to Universiti Sains Malaysia for the funding of this research project under the USM Short Term Research Grant P4360.

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A Conceptual Study of Breastfeeding and Postpartum Mothers: A Malaysian Perspective

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Abstract

Breastfeeding is an essential practice that bonds a mother and her infant. Throughout the postpartum period, mothers are highly encouraged to breastfeed their children for various benefits for both the well-being of the mother and baby. In Malaysia, the initiative to increase the number of Baby Friendly hospitals have been discussed to promote breastfeeding awareness among hospital staff and mother with infants. This study focuses on the attitudes, beliefs and practices of Malaysian mothers towards breastfeeding and its connection with postpartum wellness. A sample size of 6 Malaysian mothers from different social backgrounds and work situations in a setting of a government hospital's maternity ward in Malaysia were interviewed face-to-face based on questionnaire designed by researchers that is aimed to further understand breastfeeding practices among mothers and its relation to postpartum food and wellness. As a whole, Malaysian mothers are aware of food taboos and restrictions. They have knowledge on hot and cold foods that should be eaten during the postpartum period. Mothers state hot and cold foods are based on their prior knowledge from other family members. Malaysian mothers have shared a sense of openness and willingness on the challenges and motivations they face during breastfeeding. A sense of acceptance of public breastfeeding is evident among mothers. The Baby Friendly Hospital Initiative is well recognized by Malaysian mothers and they acknowledge the pivotal role nurses and doctors play in encouraging mothers to participate in breastfeeding practices and techniques. Results have shown the data collected is represented from a woman's standpoint.

Keywords: Breastfeeding, Practices, Attitudes, Malaysian mothers, Malay, Postpartum

1. Introduction

Breastfeeding is a universal practice mothers partake in after childbirth to nourish their infants sufficiently. A mother's breast milk is deemed as the best and most accepted way of feeding a child in the early stages of his or her life (Ku and Chow, 2010). Over the past decade in Malaysia, breastfeeding awareness have been recognized and given the highest priority in government hospitals as well as private hospitals. According to the Malaysian Third National Health and Morbidity Survey (2006), the statistics of exclusive breastfeeding for infants below the age of 6 months is about 14.5 (95%). It can be said that Malaysian mothers do pay attention to exclusive breastfeeding of their infants. Malaysia has been a supporter of breastfeeding and strives to promote breastfeeding among Malaysian mothers. Malaysian hospitals strive to practice the Baby Friendly Hospital Initiative (BFHI) that was developed by the United Nations Children's Funds (UNICEF). Baby friendly hospitals focus on the *Ten Successful Steps of Breastfeeding* that require hospitals to implement principles among the hospital staff such as nurses and doctors to properly initiate the first efforts of breastfeeding for mothers within the first 24- hours of childbirth, to provide instructions and perform procedures of breastfeeding and in-rooming.

2. Breastfeeding Practices & Postpartum Mothers

Butz (1984) claimed breastfeeding had been an important practice in ensuring and increasing infant mortality in Malaysia. Exclusive breastfeeding from an early age ensures the survival of babies and decreases the number of baby deaths in the country. Since Malaysia has always supported the efforts of WHO and UNICEF to promote breastfeeding through the BFHI, Malaysian mothers have also been encouraged to breastfeed through the efforts of the International Code of Marketing of Breast Milk Substitutes where the government educates mothers on how to breastfeed using formula milk and bottle feeding. Even with the implementation of BFHI, responses of mothers exclusively breastfeeding their infants are still low and this enables mothers to be taught the correct substitution of breast milk since Malaysian infants are not guaranteed the full 6 months of breastfeeding.

Researchers identified that mothers struggle with breastfeeding exclusively after initiation difficulties due to factors such as breast problems i.e. sore nipples and mothers' perception of insufficiency of breast milk (Whalen and Crampton, 2010). These factors are considered main factors which demotivate mothers to breastfeed as a whole as they are constantly challenged by whether they are producing sufficient breast milk to feed their infant. Literature evidently show mothers struggle with the breastfeeding due to the lack of support from family and health care professionals (Thurman and Allen, 2008). In most scenarios, health care professionals such as doctors and nurses are the first initiators of breastfeeding and their failure to educate and motivate mother results in the hesitancy of mothers to properly breastfeed their infants. Therefore, it is obvious that the role of health care professionals is to educate mothers on the importance of breastfeeding. Moreover, other barriers such as the lack of breastfeeding knowledge can cause mothers to not breastfeed their infants (Cerop, Keverige-Ettyang and Mbagaya, 2009). Heinig (2001) states breastfeeding reduces threats and nourishes infants as well as protects them from ordinary infectious diseases that make up the mortality rate in most developing countries. The lack of breastfeeding knowledge on such breastfeeding techniques or the educational or nutritional value of breastfeeding from health care professionals or personal experience may form the mothers' perception on breastfeeding that influence their decision on the duration of breastfeeding. These barriers of breastfeeding directly play a pivotal role in forming a mother's perception of breastfeeding and hence, the substitution of breast milk with other alternatives such as baby formula and bottle feeding are encouraged.

The practice of breastfeeding always goes hand in hand with the cultural practices of a society. It can be said that breastfeeding practices vary according to cultures and countries based on urban or rural demographics, age, health care systems, knowledge of breastfeeding, community beliefs and practices, barriers and challenges facing mothers and mode of delivery (Nkala and Msuya, 2011). This study directly touches on the breastfeeding practices of Malaysian mothers, their attitudes and perceptions on cultural or food taboos during the postpartum period that influences breastfeeding as well the hospital's policy in promoting the importance of breastfeeding. Since culture is categorized as 'learned knowledge', the practice of breastfeeding can be understood through culture. Alma Gottlieb (2004) explains that 'learning the value of sociability begins ... at the breast'. Hence, breastfeeding is an early form of interaction and socialization that an infant receives through culture. During the postpartum period, mothers are generally subjected to 'weaning practices' that are heavily influenced by cultural beliefs surrounding motherhood, maternal conditions, pregnancy, early child development and most importantly breastfeeding.

The postpartum period is associated with the emotional well being of the mother in which case it can influence their behaviour and decisions on breastfeeding. Gail Harrison (1993) focusing on the urban areas, studied how mothers in Cairo suffer with grief and sadness when they have insufficient breast milk to breastfeed. Due to these researches, breastfeeding is a cultural practice based on the postpartum period. This conceptual as well as preliminary study dives into the understanding of Malaysian mothers particularly, Malay mothers on the concepts of 'hot and cold' foods during the postpartum period as well as breastfeeding do's and don'ts that are practiced in the Malay culture.

Another one of the attitudes that are discussed in this study is the perception of mothers on public breastfeeding. Literature based on this breastfeeding issues focus on how Malaysian mothers are cultivated to breastfeed publicly by the media. Based on Emma Mohamad's (2011) research paper, she states a few attitudes and perceptions on breastfeeding in public. Her discoveries on the attitudes of breastfeeding in public are as follows:

'If more people are well informed about breastfeeding, then people will start respecting women who breastfeed and do not see breastfeeding in public as shameful. This would help correct our culture perception about breasts as being sexual objects and private'

'Mothers should be told that although breastfeeding is a natural thing, some people may still face problems with it. Therefore, it is important to keep mothers motivated and informing them about the right techniques and emotional support that is available to them'

Efforts to support public breastfeeding and to change society's perception on breasts and breastfeeding publicly are highly encouraged and the need to educate mothers, to motivate them regarding breastfeeding techniques and provide emotional support must be taken into consideration. This study also aims to give an insight on both public breastfeeding and support groups for breastfeeding.

Mohamad (2011) states Malaysians support the role of government in the baby friendly alternatives. She writes that government hospitals do provide information on breastfeeding but they leave the major techniques to mothers alone. In this scenario, self confidence during breastfeeding is supposed to be encouraged so mothers are well aware of their roles. Family and husband's support is prominent in encouraging a mother to develop breastfeeding confidence. Mohamad (2011) also claimed that mothers are argumentative with other unsupportive family members in order to influence them to continue breastfeeding their infants. The debate on Expressed Breast Milk (EBM) is brought up when mothers have to express their milk in private places away from public. Private rooms can be used to express milk but mothers have opted to keep their milk in public refrigerators.

2.1 Food Taboos: Hot and Cold Concept (Humoral Theory)

Major cultures of the world practice food avoidance or food taboos (hot and cold foods) during postpartum period. Much of these food taboos closely influence breastfeeding decisions mothers make when breastfeeding. Hart (1965) states that Asian countries such as India, Philippines, Vietnam and Malaysia practice food avoidance during lactation. The women of India are subjected to 40 to 41 days of 'pollution days' (postpartum period) where food restrictions are based on Ayurvedic conditions. In Malaysia, mothers have dietary

practices during pregnancy as well as lactation. Wilson (1980) describes Malay mothers having the 'pantang' period which is a 40 day postpartum period where certain food restrictions must be followed. Laderman (1981; 1983) focuses on the hot and cold foods centered around the humoral theory.

It is said that when a woman has a baby, her body enters into a state of coolness and therefore, she should eat 'hot' foods to balance her health. This humoral system is largely derived from classical theories of Hippocrates and Galen and is rooted in different hot and cold classifications system in Asia and Latin America (Shariffah Suraya, 2014). Skeat (1972) classifies food restrictions after childbirth for mothers into the hot and cold categories such as fruits and vegetables that create a heating result on the blood circulation, gourds and cucumbers, sugar, chillies and coconuts that can cause faintness. Mothers in Malaysia Malay, Chinese or Indian all follow the concept of hot and cold (Rice, 2000). However, in the Malaysian context, fruits and vegetables are viewed as cold foods and mothers are recommended to stay away from them but are encouraged to eat hot food and drinks such as garlic, pepper, spicy dishes, coriander and fish (Manderson, 1981; Choudry, 1997). Vegetables are perceived as additives to improve rice and act as a form of relish while fruits are are viewed as treats (Laderman, 1981; 1983).

In some cases, hot foods such as fish, eggs, poultry and sugar are encouraged but cold foods such as cold beverages and fresh fruit are avoided. Shariffah Suraya (2014) clearly states that certain fish and vegetables are deemed as cold foods and are taken out from a mother's diet. Observations done by Wilson (1980) reports postpartum lactating mothers choose foods such as rice, fish roasted over coals and black pepper and coffee which are hot foods after childbirth. Since rice is the major staple food of Malaysia among almost every ethnic (Malay, Chinese and Indian), the postpartum diet is centered on rice and fish with the option of vegetables being a side dish. The Malay humoral system is categorized according to the hot and cold food categories. However, there are marked and unmarked categories in the system. There are certain foods that are classified as neutral or 'sederhana' by Laderman (1983). These neutral foods are unmarked and are not considered to be hot or cold foods.

3. Research Objectives

This study aims to understand the attitudes, beliefs and practices and perceptions of Malaysian mothers particularly Malay mothers on breastfeeding during the postpartum period, gain knowledge on postpartum food that promote breastfeeding and to provide some early collection of data from Malay mothers at the maternity ward at the government hospital.

4. Method

A designed questionnaire comprising of five sections which were Section A : Classification of Demographic Variables, Section B : Knowledge & Perception of mothers on postpartum food served in the hospital, Section C : Breastfeeding Practices, Knowledge & Attitudes among mothers, Section D : Perception of Social Support System towards Confinement & Breastfeeding and Section E : Perception on Hospital's Policies & Services on Postpartum Food & Breastfeeding. Since the Malay mothers in the maternity ward were too weak after delivery to fill out the questionnaires themselves, the researcher switched to informal face to face conversation / interview so the mothers would be encouraged to give their opinions.

The data was collected in the maternity wards were from mothers that had just given birth

naturally a day or two ago or that morning of the interview itself. A total of 6 Malay mothers between the ages of 20-40 years with different social backgrounds and work situations were interviewed. Some mothers came from nuclear or extended families. The mothers in the ward have either experienced their first, second, third or fourth natural childbirth and have spent an amount of 2 to 3 days at the hospital.

The gatekeeper for this study was the Chief Nurse at the maternity ward and she encouraged the informal conversation between the researcher and the mothers. The Malay mothers were asked about the types of food served at the hospital, the categories of hot and cold foods that were prepared as well as their own cultural beliefs on hot and cold foods. The mothers are asked further on food taboos as well as the do's and don'ts during the postpartum period. Breastfeeding practices such as the mother's decision on the duration of breastfeeding, the alternatives and the substitution of breast milk, cultural taboos on breastfeeding in the Malay culture, the support system and motivation of the family to encourage the mothers to breastfeed, hot or cold foods that encourage the lactation of milk, the factors that influencing breastfeeding, breastfeeding benefits, challenges of breastfeeding, initial breastfeeding techniques by the hospital staff, the relationship of breastfeeding and postnatal depression as well as the perception on public breastfeeding were questioned extensively. The researcher is also keen in understanding the BFHI efforts that are carried out in the hospital in particular if the mothers are comfortable with breastfeeding procedures that are taught by the staff. The researcher discusses the findings based on the informal interview / conversation she had with the mothers and has developed themes focused on breastfeeding practices and postpartum food to classify the data collected.

5. Findings and Discussion

5.1 Food taboos and restrictions

Throughout this study, Malay mothers have classified hot and cold foods according to their own understanding and culture. Foods like spinach, radish and fish, prawns and food that can cause itchiness and 'bisa' as well as foods that can cause the decrease of lactation of breast milk are avoided by mothers. Foods that are encouraged by the Malay culture include 'haruan' fish, soup, black pepper and garlic and tubers to avoid wind and red fish as well as 'bawal' fish. Foods such as cabbage, mangosteens and cucumbers are identified as cold foods. Hot foods such as pepper, rice and anchovies are encouraged to be eaten. Generally, fruits are avoided because they are deemed as cold foods. Mothers also stated they drink coffee served at the hospital as it is considered hot foods. Mothers admit to sticking to the food hospitals provide which are rice, fish and vegetables. Almost all mothers mentioned taking their own mothers advice on hot and cold foods to avoid infections and immediate effects to the body. Malay mothers in the ward only eat the food served in the hospital and also depend on their husbands and families to bring them food from home. Based on the humoral theory, the findings have reflected Malaysian mothers to have less knowledge on hot and cold foods and are influenced by their family members' practices of food restrictions.

5.2 Breastfeeding Practices

The Malay mothers were very vocal about their attitudes and beliefs on breastfeeding. The following excerpts demonstrate the opinions of the mothers based on their personal experiences and prior knowledge. Each of the mothers express their own motivation and challenges they face during the postpartum period.

Mona, 33 years, military officer, degree holder: I plan to breastfeed for 3 months because I work. Breastfeeding can strengthen the bond between a mother and a child. My baby can get all the proper nutrients and baby's emotional state is balanced. My husband and his family are supportive of breastfeeding but they understand the demand of my job in the military. I eat more vegetables and rice to increase my breast milk but the main challenge is insufficient milk. There's nothing wrong in public breastfeeding as there are special baby rooms to breastfed. A mother does not have to be embarrassed with public breastfeeding as it is normal.

Syazwani, 27 years, housewife, diploma holder: I will breastfeed for full 6 months as my breast milk is insufficient. I believe in eating spinach and radish to increase my breast milk. Bottle feeding after 6 months of breastfeeding can save money. Breastfeeding gives antibodies for the baby. My only challenge is that the breast milk is not sufficient. I have to turn to bottle feeding as my breast swell up after a certain period of time. I have breastfeed publicly before and I feel that there should be more support for it.

Alia, 38 years, teacher, degree holder: I can breastfeed until I go back to work in my school. I use the breast pump to cater to my child and to keep milk in case my baby needs to be fed. I have no choice but to use the milk bottle. Public breastfeeding is usually shunned by public and many opt to breastfeed in private baby rooms.

The majority of Malay mothers expressed that they understand the value of breastfeeding and try to breastfeed for many months but due to challenges such as breast swelling and insufficient breast milk produced, breastfeeding efforts are put on hold. On the basis of hot and cold foods, the mothers quote from their own mothers or hear say of what to eat and what not to eat during the postpartum period as well as during breastfeeding. There is a strong relationship between hot and cold foods that either increase or decrease breast milk. Mothers opt to breastfed as it creates a loving bond between mothers and baby as well as it is economical. The data collected on public breastfeeding is in line with the literature review where Malay mothers nowadays are changing their perception and attitudes regarding public breastfeeding. Many of which are supportive of public breastfeeding and see it as natural, normal and being comfortable with their sexuality and not being shy about it.

5.3 Baby Friendly Hospital Initiative (BFHI)

Almost all the Malay mothers have agreed government hospitals are baby friendly hospitals where breastfeeding policies are communicated by the staff through written policies. They have also agreed that nurses promote the benefits of breastfeeding and initiate breastfeeding about half an hour after delivery. However, the hospital does not really practice in-rooming as they only bring the babies to the mothers when the need arises to breastfeed them or in which case the staffs uses formula milk to feed infants when they are experiencing health issues. Mothers also agree that the hospital staff and nurses educate them on the techniques of breastfeeding as well as discuss benefits with them. Breastfeeding on demand is encouraged by nurses as infants are brought to their mothers during feeding time. Similarly, mothers agree that staff do not provide the infants with artificial pacifiers or any food or drink. Some mothers have claimed that the breastfeeding support groups in the hospitals are needed for first time mothers and other mothers claim they are unaware of the existence of breastfeeding support groups in the hospital.

6. Conclusion

This conceptual paper and early preliminary study gives an understanding of how Malay mothers view breastfeeding and their knowledge on postpartum care in terms of postpartum food. The understanding of hot and cold foods that should be eaten during the postpartum period can vary according to each mother and is based on their prior knowledge from other family members. The data collected supports the main the concept of the paper which is the humoral theory where Malay mothers take into consideration the kinds of hot and cold foods that they eat during the postpartum period of 40 days and also the foods that can promote lactation of breast milk. Overall, the humoral theory is in accordance with the perception of Malay mothers.

Based on the breastfeeding practices, there is a sense of openness and willingness of the mothers to share insights on the challenges and motivations they face as postpartum mothers. The issue of public breastfeeding is seen as being accepted by Malay mothers and there is a positive outlook on how mothers view other mothers who breastfeed in public. Evidently, BFHI, with the efforts of the hospital's nurses and doctors plays an important role in encouraging mothers to fully participate in breastfeeding practices and techniques.

7. Acknowledgment

This paper is written under the supervision and encouragement of Dr. Shariffah Suraya Syed Jamaludin during the short term research grant of Universiti Sains Malaysia.

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The Local Perception on Social Impact of Indonesian Workers in the Rural Areas

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Abstract

The presence of the Indonesian workers in rural areas in Malaysia is a controversial issue that is perceived as having both positive and negative consequences. This article will look into the consequences of the Indonesian workers for local communities in Johor, Malaysia from the perspective of the local people. It focusses on the local people's perceptions with regard to the incorporation of Indonesian workers into their local communities and social consequences of the Indonesian workers. By using structured questionnaires the total of 671 local respondents were interviewed during this study. Result shows the Indonesian workers' social impact is small. This is due to working time constraints, the low level of integration and the influence of the local mindset, which is that the Indonesian workers come as helpers in the agriculture sector and are nothing much to do with the building of social capital. The social contributions of the Indonesian workers are limited to activities related to their skills and general participation. This study also shows that the local people's perceptions towards the Indonesian workers in their areas are based on a xenophobic reaction, which causes negative responses and a high level of rejection of the integration of Indonesian workers.

Keywords: Indonesian, Rural, Social Consequences, Xenophobic.

1. Introduction

The presence of the Indonesian workers in rural areas in Malaysia is a controversial issue that is perceived as having both positive and negative consequences. Immigrants not only carry responsibilities to top up the workforce in times of labour scarcity, but also fulfil some social responsibilities at the local level. Data from the Immigration Department of Johor shows that in 2013, the Indonesian workers registered represent around 40% of the total of the 243,826 registered foreign workers in Johor. The distribution of the immigrants labour differs according to the sectors: Indonesian workers are largely involved in the domestic work, construction, plantation and agriculture sectors. On contrary the Vietnamese, Nepalese and Myanmar are heavily distributed in the manufacturing sectors. Besides, in Johor, the number of illegal immigrants registered during a one-month period in August 2011 under the 6P programme was 24,049. On the other hand, most of the immigrants' issues are generalised or focused on the situation in the urban rather than the rural context. The lack of deeper understanding from the immigrants' insight (their migration aspiration and experience) and the local needs has become a crucial point to address. The insights gained from this study will help the government to provide an overview of the current and future prospects for better planning for rural development that will incorporate issues relating to immigrants. This study is significant in that it provides some insight into the government planning agenda, especially the policy on managing foreign labour. Furthermore, the response gained from local community will provide a baseline for understanding the dilemma underlying the issues of

influx of immigrants into Malaysia: that is, between the necessity of immigrant labour and the loss for the country. This article will look into the impact of the Indonesian workers for local communities in Johor, Malaysia from the perspective of the local people. It focusses on the local people's perceptions with regard to the incorporation of Indonesian workers into their local communities and social impacts of the Indonesian workers.

2. Literature Review

While the inflow of foreign labours contributed to the economy in term of overcoming labour shortage and keeping the economy going it also causes numerous social issues, crimes and problems with squatting (Azizah, 2014). The immigrants' working behaviour; hard-working tendencies and ability to carry out the work required have a positive effect on rural development (Kasimis, Papadopoulos and Pappas, 2010; Pye, Daud, Harmono and Tatat, 2012; Azizah, 1997; Zawawi, 2005; Hoggart and Mendoza, 1999). Research on immigrants' impact on rural socioeconomic development has found that immigrants make a major positive contribution to local development, but the locals start to become more vigilant when relationships between the local society and immigrants grow closer (Kasimis and Papadopoulos, 2005). The concern raised by the local people over close relationships with immigrants which is due to a xenophobic reaction (Fakiolas, 1999; Kasimis and Papadopoulos, 2005). This xenophobic reaction, as argued by Fakiolas (1999), reflects the local society's fear of the increased crime rate (drug trafficking, gangsterism, robberies) associated with Albanian immigrants and violence in 1998 and the increased number of unregistered immigrants in Greece. However, Fakiolas (1999) only mentioned the national situation, not referring to any specific type of locality, and argued that in many cases, criminal violence to which immigrants contributed was backboned by local people. On the negative side of it, Azizah (2014) highlighted the following concerns:

- Reliance on foreign workers can delay up-grading of technical skills, mechanization and automation.
- Employment of foreign workers could lead to decline in productivity in some sectors of the economy, depresses local wages and drains the economy due to remittances sent to country of origin;
- High cost of monitoring, control, detention and deportation of illegal immigrants;
- Worry of the intrusion of foreign nationals into the state electoral roll which may upset the balance of power between the various ethnic-based political parties in the state;
- Worry about the impact of illegal entry on border and internal security and diplomatic relations;
- The tendency among low skill foreign workers to violate Malaysian laws such as armed gang robberies, murder, smuggling of prohibited commodities especially drugs, manufacture of forged documents and commercial crime.
- The presence of immigrants also contributing to the spread of communicable diseases such as Malaria, tuberculosis and hepatitis B.
- The presence of a large number of low skill foreign workers place a heavy stress on state medical facilities as well as other social services and public amenities.

The consequences of the immigration should also be assessed from the perspective of local insight because the benefits of migration are effectively distributed locally rather than nationally (De Haas, 2005). Furthermore, analysing immigrants' working behaviour from the local people's insight would be of benefit in providing in-depth information on the immigrants' future survival and influence on the growth of immigrants' presence, household

and society (Kasimis et al., 2010). Some studies have evaluated the implications of the immigrants' presence at the local level by measuring the local perception towards them, such as the works of Hatton and Leigh (2011) and Kasimis and Papadopoulus (2005). Other than that, it is beneficial to evaluate the consequences of immigration by looking at the flow of permanent and temporal migrants, as this helps in exploring the issues of immigrants' impact on employment, production growth and also the per capita income in the receiving country (Friedberg and Hunt, 1995). On one hand, immigrants' impact on the social environment of the local people has been demonstrated by looking at the pattern of integration between the Indonesian immigrants and the local people. These patterns were examined through the local perception, which is one of the indicators to assess the social acceptance of immigrants by the local community (Hatton and Leigh, 2011).

3. Methodology

Since different types of rural areas have different settings and social/cultural contexts, this study chose three different types of rural settlement, namely traditional villages, private plantation estates and FELDA settlements. For the traditional villages, the selection was also based on (1) the researcher's previous fieldwork related to rural studies and (2) the history of the settlements in respected areas with long relationships with the Indonesian immigrants. In the selection of FELDA settlements, the opinions of FELDA Regional Officers were also considered, since they know the situation in terms of the status of foreign workers' recruitment. Private estates were selected after consulting and gaining permission from Johor Corporation, the owner of the Estates, after randomly selecting from the private estates in Johor. In brief, a summary of study areas and the characteristic of the villages and the distribution of samples are shown in Table 1. The structured questionnaire was designed for the respondents focused mainly on exploring the local opinion towards the immigrants' presence and their implications for the community. In general, a purposive sampling technique was applied for local respondents. The sample was based on the household, with the heads of households being selected as respondents. In total 671 of local respondents were interviewed during this study. The number of respondents was estimated based on the Krecjje and Morgan sample size table. The standard errors and confidence levels were used for the local and the Indonesian immigrants' sample calculations (95% standard error, 5% confidence level).

Table 1: The summarised profiles of study areas

Village	FELDA Taib Andak	FELDA Tunggul	** Sungai Papan	Pasir Logok	Kampung Melayu Raya	Kampung Parit Raja Darat
Type of settlement	FELDA settlement		Private plantation estate		Traditional Village	
Location	Kulai Jaya	Kota Tinggi	Kota Tinggi	Kota Tinggi	Pontian	Batu Pahat
No. of Houses	620	530	47	30	187	314
Sample of local people (n=671)	177	221	42	10	90	131

** Research also conducted in Kampung Tanjung Serindit. The household of Kampung Tanjung Serindit was included in the survey for the Sungai Papan estate, since the location of the housing area of the Sungai Papan Estates is adjacent to Kampung Tanjung Serindit and they share the same facilities, such as mosques, a primary school and local businesses.

4. Findings

Local respondents were asked about their general feelings towards the presence of Indonesian

immigrants within their communities. Using a Likert scale, respondents were asked to rate their feeling from ‘very comfortable’ to ‘very uncomfortable’. The majority of the respondents (61.3%) felt neutral about the presence of the Indonesian workers in their area, while 27% indicated that they were uncomfortable or very uncomfortable and 11.7% felt comfortable or very comfortable. This indicated that the presence of Indonesian workers was generally acceptable to the majority of local people. Based on fieldwork interviews, the response of *biasa saja* or neutral was based on two factors:

1. The local people acknowledge the roles of the Indonesian workers in helping them with the supply of human resources in the rural sectors, which also increases rural production especially in the agriculture sector.
2. Furthermore, for FELDA and estate settlements, the Indonesian workers have been placed in separate accommodation from the local people. In traditional villages, many immigrants live in the farm areas, which are quite far from the villagers, and only a few Indonesian workers live in rented houses within the local communities. The isolation from the local community contributes to the local respondents’ sense of comfort towards the Indonesian workers, as they feel that the Indonesian workers do not interfere with their daily lives.

Table 2 shows that 45.9 % of the respondents were willing to invite Indonesian workers to local ceremonies or festivals such as marriage ceremonies, the slaughtering of animals during Eid Adha and certain community voluntary works (*gotong royong*). This indicates the closeness of relationship between the local people and the Indonesian immigrants. Respondents who invited Indonesian workers to their feasts gave the reason that these workers had close relationships with the locals and were diligent workers. Those respondents who did not invite immigrants to such events stated that they were not comfortable with the Indonesian workers and did not have close relationships with them.

Table 2: Local respondents’ tendency/willingness to invite the Indonesian workers to their local feasts by types of rural settlement

Local responds	Types of settlement (%)			Total	
	FELDA	Traditional village	Estate	%	n
Yes	47.7	38.9	61.5	45.9	308
No	52.3	61.1	38.5	54.1	363
Total (n)	100.0 (398)	100.0 (221)	100.0 (52)	100.0	671

Source: Fieldwork, 2012.

**Statistically significant at 5 percent significance level

Respondents were asked about eleven issues relating to the presence of Indonesian workers. Results indicate that local people tended not to be tolerant of the presence of illegal immigrants. They tend to agree that Indonesian immigrants can communicate in Malay language and have good relations with the locals and accept the invitations to local feasts. However, they tended not to agree that the Indonesian immigrants should be given the status of citizenship after a long period of living in Malaysia. Also, the locals tended to disagree that the immigrants should involve in local societies or organisations or be allowed to teach or play roles in the local mosque even if they have good religious knowledge. However, they tend to have mixed responses to the issue of granting permanent residence for immigrants who stay in Malaysia for many years. Turning now to the local responses about intermarriage of Indonesian workers with local people, more than 45% of the respondents indicated that they did not agree with inter-marriage with Indonesian immigrants; 28.7% indicated they

were unsure, while 24.6% of those surveyed gave a positive response towards intermarriage with Indonesian workers. Despite the rise of social problems created by the immigrants, which have been given considerable publicity by social media, efforts were made to uncover the locals' perceptions towards social issues among the immigrants. In brief, local respondents in this study had shown expressed various opinions towards the questions asked. The majority (51.3%) of the locals mentioned that Indonesian workers did not contribute to the increase of social problems.

Table 3: Local respondents' opinions on social issues created by Indonesian workers and the types of settlement

Question	Responds	Types of settlement (%)			Total	
		FELDA	Traditional village	Estate	%	n
The presence of Indonesian workers has increased the social problems in my area	Yes	52.0	42.1	28.8	46.9	315
	No	46.7	54.8	71.2	51.3	344
	Not sure	1.3	3.2	-	1.8	12
	Total (n)	100.0 (398)	100.0 (221)	100.0 (52)	100.0	669

Source: Fieldwork, 2012

**Statistically significant at 5 percent significance level.

There was a significant association between local respondents' types of settlement and their opinions on Indonesian workers' contributions to social issues. As shown in Table 3, the majority (52.0%) of respondents in FELDA settlements agreed that the presence of the Indonesian immigrants had raised the number of social issues in their area. However, respondents spontaneously mentioned to the researcher that the increase in social problems was caused by outsider immigrants, not those who lived within their areas. In contrast, the majority of respondents in traditional villages (54.8%) and estates (71.2%) indicated that the presence of Indonesian workers was not a contributing factor to the social issues in their areas. The 315 respondents (47.8%) who held the opinion that Indonesian workers did increase the social illness in their areas were further asked to describe the types of social illness created by the Indonesian workers in a multiple response question. A huge percentage of the social problems created by the immigrants are burglary (89.5%), followed by theft (47.9%). Other crimes reported are *pukau* (black magic), indecent manners, and being home wreckers. Regarding drug-related issues, the majority (73.1%) of the respondents reported that immigrants were not contributors to the raised number of drug addicts in their areas, while only 7.8% indicated that the drugs problems in their areas were caused by Indonesian immigrants. A minority (38.2%) of the respondents indicated that the presence of Indonesian immigrants caused the local women to feel unsafe outside their homes, while the majority of 58.9% disagreed with this statement.

5. Discussion

The level of Indonesian workers' socialisation with the local community is generally low in all six areas of study. This implies that the locals do not welcome the presence of the immigrants in their areas. The locals perceive the immigrants as a stock of additional human resource to help them with rural production. They are regarded as being meant for the 3Ds (dirty, dangerous and demeaning) job types, reflecting the creation of a new social class that ranks at the lowest level. As the result, the level of integration is minimal. This has caused the Indonesian workers to experience unfavourable social conditions. However, as compared to foreign workers from other countries, Indonesian workers still enjoy some benefits from

sharing a similar culture with the local people. In this study, the privilege received by the Indonesian workers is only limited to economic opportunities, not socialisation access, as compared to other immigrants, who have difficulties in being accepted by the local people. Although the Indonesian workers share a similar culture with local communities, this still does not outweigh the negative local perception towards them. This unfavourable social perception has diminished the immigrants' opportunities to gain more income (Djajić, 2003) and also hinders their involvement with local political membership, which influences their ability to succeed in their destination countries (Bloemraad, Korteweg and Yurdakul, 2008). As a whole, while the majority of the local respondents tend to reject integration with the Indonesian workers, they do show a slight open-door attitude in giving the immigrants some space to socialise with the local community. In brief, the local opinion towards incorporating with the Indonesian workers was viewed as a shallow basis of integration. The local views on integration with the Indonesian workers are limited to day-to-day activities, while contact/interaction is minimal (such as giving a smile or raising a hand when they meet and engaging in buying and selling activity, and the Indonesian workers not contributing to unrest). On the other hand, findings indicate that the local community is not ready for better integration with Indonesian immigrants. It is hard for the local community to accept the immigrants' participation in organisations that would lead to social capital building. The attitude and perceptions of the locals, as stated in the previous section, is a result of xenophobic feelings, which stimulate a defensive attitude towards extending relationships and integration with the immigrants. Limited socialisation with local people means that the immigrants find it difficult to participate in social capital building with local people. Despite these difficulties, they do make some social contributions. The survey of Indonesian workers revealed that the majority of Indonesians in all areas had been involved with *gotong-royong* (communal work) in the village. Furthermore, skilled and talented Indonesian workers were also asked by the locals to do jobs related to their personal skills. Through informal interviews, the local people claimed that they sometimes asked Indonesians to do tasks such as traditional massaging, teaching the Quran to the local children, teaching planting skills, cleaning their houses, cooking for big ceremonies and carpentry. The data indicates that the immigrants also play multifunctional roles in the community. However, their roles in contributing to the social community are not really significant due to time constraints and the types of settlement in which they live. The local community, which is already prone to the mindset that the Indonesian workers are threatening the local economic and political power, have thwarted attempts to participate in local organisations, even very small ways, such as becoming members of the local mosque. Contrary to the public discourse, which associates immigrants with social problems, this study has demonstrated that the majority of local respondents have the opinion that the Indonesian workers in their areas are not responsible for the social issues highlighted. This result may be related to the pattern of Indonesian workers' settlement in the study areas. However, careful consideration is needed in reflecting the relatively high proportion of local respondents from FELDA areas (FELDA Taib Andak, FELDA Tunggal) who indicated that the presence of Indonesian immigrants had increased the social problems in their areas. This might be because respondents in FELDA areas were overwhelmed by the few cases of social problems caused by immigrants, which might have come from the spread of hearsay, and such rumours might have generated the local people's xenophobia. FELDA and private estate settlements (Pasir Logok Estate and Sungai Papan Estate) have adopted strict policies and regulations as precautions in response to public concern about immigrants causing social problems. Such strict policies are designed to prevent their immigrant workers from causing any social problems to the local community, which would ultimately become a problem for the management.

6. Conclusion

The Indonesian workers social impact is small. This is due to working time constraints, the low level of integration and the influence of the local mind-set, which is that the Indonesian workers come as helpers in the agriculture sector and are nothing much to do with the building of social capital. The social contributions of the Indonesian workers are limited to activities related to their skills and general participation. The presence of the Indonesian workers in rural areas is not seen as a trigger for increased social problems. Despite the social issues and crime generated by immigrants that have been highlighted in the media, the local people perceive that these are under control. However, the xenophobic attitudes which have been developed through negative portrayals in mass media and rumours have contributed to the low level of integration between the local community and the immigrants, although they share similar ethnic roots. This study also shows that the local people's perceptions towards the Indonesian workers in their areas are based on a xenophobic reaction, which causes negative responses and a high level of rejection of the integration of Indonesian workers. On the other hand, local rejection is even higher towards non-Indonesian immigrants. The roles of religion and similarities in language and culture no longer guarantee the Indonesian workers better integration with the local society. For that reason, the contribution of the Indonesian workers is significant only to the economic development of the rural settings. Most of the Indonesian workers' contributions towards local development are almost entirely overlooked due to the strong negative perception of foreign workers developed by the local people (xenophobic reaction). Therefore, it is important to carefully evaluate the contribution of the Indonesian workers to rural development, while at the same time considering the fears of the local people towards the foreign workers, in order to ensure that the process of policy and development planning is relatively flexible in responding to the needs of rural development. The Indonesian workers' roles towards socialisation with the local people did not significantly contribute to the host society. Indonesian workers were only minimally integrated with the local people, and this prevented them from participating in social activities within the local community. In brief, the pattern of immigrants' engagement with the local community was no more than a basic, functional relationship without a personal touch.

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Bojonegoro District, The Best Governance Role in Indonesia's Economic Development and Poverty Alleviation⁵

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Abstract

Bojonegoro is a district in East Java. This district is a real portrait of Indonesia, and it is very unique. In 2008, Bojonegoro experienced financial deficit and accumulated 300 billion debt. Slow but sure, Bojonegoro was able to develop itself. Since 2008, the Bojonegoro government governed by empowering and enlightening the society. The earlier research of Suryaningsum et al (2014a, 2014b), chose Bojonegoro as the research object, because Bojonegoro got 18 awards in 2014. Its Regent was awarded as innovative regional leader of the Sindo newspaper in 2014. This research is conducted by study case method. Observation, library research, and in-depth interviews are conducted for four months, from December 2014 to March 2015. One of Bojonegoro district government's successions is in poverty alleviation. In this study, the researchers analyze governance transformation of Bojonegoro that covers two main discussions, namely, done by public communication and its internal governance. According to the analysis of this writing, it can be concluded that the governance in Bojonegoro develops from time to time under the leadership of Bojonegoro regent, Suyoto. He succeeded to control Bojonegoro by applying democratic system towards all of Bojonegoro's citizens' level. The aim of this writing is to illustrate the role of good even best governance for every region in Indonesia, so that they can imitate the leadership of Bojonegoro regent, in the effort of poverty alleviation.

Keywords: Bojonegoro; Governance; Democratic System; Poverty

1. Introduction

Bojonegoro is a district in East Java and it is believed to be a real portrait of Indonesia. Bojonegoro is a very unique district in Indonesia. Bojonegoro culture is influenced by its historical background. The culture of Bojonegoro is the result of political war between Majapahit (Hindus) and Demak (Muslim). Political influences, from Demak to Pajang, Pajang to Mataram, colonized people and its conqueror. It is also the acculturation product between Tionghoa, Arab, and ancient animism. Natural phenomenon in Bojonegoro, such as flood, dryness, ground motion and calcareous area with teak forests, also influence the transformation of culture in Bojonegoro.

Generally, governance has similar basic rules and legislations as standard regulations in governing. However, the leaders in each region have their own way to govern and apply the rule. They have certain innovation and creativity in applying the regulation that has already existed. The certain innovation and creativity also have to be adjusted to the people's characteristics in each region, so that the leader can be accepted by the people and the program that has been planned can be done well together with the support of the citizens.

⁵ The research funding by KEMENRISTEKDIKTI RI, PUPT 2015, on Poverty Alleviation.

What is the responsibility of a government? Normatively, the government is a protector, a regulator or policy maker and public service-provider for the people. According to Suryaningsum et al (2015c), Bojonegoro is very unique and a transformative district. Bojonegoro is known as the poorer region in Indonesia. In 2008, Bojonegoro had financial deficit and accumulated 300 billion debt. Slow but sure, Bojonegoro was able to develop itself. Since 2008, Bojonegoro government governed by empowering and enlightening society. The interesting phenomenon today is how the region leader was successful to bring the citizens to be wealthy and independent. It is also interesting to deal with the leader's way to involve all of the people directly into each governance activity. In this writing, the regent that will be discussed is Suyoto, the Bojonegoro regent.

The background of this writing is the phenomenon that has been stated before, that some leaders have certain innovation and creativity to govern their people. Here the focus is Suyoto, the regent of Bojonegoro that is claimed to be a successful leader. The measure of time of this writing is limited into 2008 until today, considering the development of Bojonegoro governance under Suyoto's control.

Scharmer (2013) and Scharmer and Kauffer (2013) stated that Bojonegoro in the era of Suyoto is claimed to be one of some regions that has good governance. The innovation of Suyoto has succeeded to rebuild Bojonegoro to be as good as today. The central government of Indonesia also appreciate Suyoto's competency in applying good governance principles. Here, Bojonegoro proves that this region is able to grow and transform as a democratic region. Bojonegoro becomes one of some barometers for another region in Indonesia. It applies democratic system, with pro-people-policies that are always open and transparent.

Bojonegoro is the real Indonesia and may be the role model for other regions in Indonesia. Hopefully, by the existence of this writing, the good governance of Bojonegoro under Suyoto's control can be a role model and be imitated by other districts or areas. The good governance of Bojonegoro has been acknowledged by the Indonesian government and also other governments in this world. By the good governance in every area in Indonesia, hopefully all of the citizens of Indonesia can be more independent and wealthier.

Suyoto is able to eliminate corruption in Bojonegoro. This is an important thing in the development of a capital. Schwenke (2005) and Indriati (2014) stated that zero corruption means a good environment, rapid economy thriving, stronger democracy, stronger government's legitimacy, and improvement of life quality, increasing employment, and the occurrence of sustainable development.

The organizational of this writing is preceded by the background of study, method, then results and discussion. There are also sections for conclusion and future research agenda, reference and acknowledgment. The governance phenomenon is discussed in background of study. The discussion topic of this writing is Suyoto, the regent of Bojonegoro, as one of the successful regents to lead Bojonegoro as wealthy and independent region.

2. Research Method

This research is conducted by case study method. Observation, library research, and in-depth interviews are conducted for four months, from December 2014 to March 2015. One of Bojonegoro district government's successions is in poverty alleviation. Financial deficit that happened in 2008 was because the government should pay the debt of the previous

government to run the big project. In Suyoto's early period, the focus was to pay the debt, and it was finally paid in 2012. The priority scale of cost was really tightened. Suyoto's government tried to postpone infrastructure development that was not really related to the citizens' richness or non-insistent, such as the rehabilitation of government's building, and others (Suryaningsum et al, 2015a, 2015b, 2015c). The earlier research of Suryaningsum et al (2014a, 2014b) chose Bojonegoro as the research object, because Bojonegoro got 18 awards in 2014. Its Regent was awarded as innovative regional leader of the Sindo newspaper in 2014.

At the first time Suyoto served as Bojonegoro Regent, he realized that the level of citizens' reliance toward the previous government was low because there were some problems in the bureaucracy. Since then, Suyoto tried to undertake a significant change of governance / bureaucracy, to reach a better government with the hope that the citizens could respect and support them again.

This research aims to answer the research question: How Bojonegoro regent was able to alleviate poverty? To answer this research question, the researchers analyzed the governance transformation of Bojonegoro that covers two main discussions, namely, public communication and its internal governance.

3. Results and Discussion

The analysis in this writing consists of some definitions and the innovations that are done by Suyoto, the Regent, in leading Bojonegoro since 2008. The focus is to achieve cultural and social assets for all Bojonegoro people. It is done by applying some programs, such a good democratic system and good governance system.

3.1 Implementation of Bojonegoro Good Democratic System

A good democratic system is an attempt to establish communication. Communication is very important to increase public trust in government. The system that is applied in Bojonegoro is democratic system, where the citizens are welcomed to suggest and complain about everything. This public dialogue is one of the best examples in transparenting communication and implementing democratic system. In reality, the government should be well-prepared before applying this system, because this public dialogue is transparent, direct and uncensored. Public Dialogue that is always held in Friday afternoon is stated as the best governance model in Indonesia that applied democratic value. This public dialogue was started in March 14, 2008, only two days after Suyoto was elected. The difference between public dialogue that been held here with other public dialogues is due to the democratic system and its openness. All of Bojonegoro people are welcomed to come, without any complicated procedure, protocol and formal clothes. Bojonegoro people are free to deliver their opinions, suggestions and lamentations in this forum. This public dialogue is also lively broadcasted and uncensored in local radio (Malowopati Radio – state radio and Madani Radio – private radio) so it can be heard and followed by all of Bojonegoro people out there.

The thing that is conveyed in that forum is really various, starting from private/individual problem until the problem of Bojonegoro financial and policy, also the problems that happen in Bojonegoro people everyday life. The problem of corruption that happens in the village level also becomes one of the popular issues. Suyoto (2015a, 2015b) said, "Almost all of the problems that are conveyed by Bojonegoro people in that forum can be solved directly,

however if there is still no solution we will try our best to solve it. All of Bojonegoro stakeholders present there, their presence are really helpful”. Sometimes Suyoto invites nationalist figures, even celebrities for increased communication. Those people are surprised with the public dialogue that are held every week. They are surprised with the democratic system that is highly respected. Those who come are all of Bojonegoro people. Entrepreneurs, artists, students, functionary people, and intellectual/educated people are fusing together. This forum is not about conveying people’s opinions, suggestions and lamentations, but here they can also perform their ability in arts and innovative contrivances, the government of Bojonegoro as a facilitator, so that the District of Bojonegoro can be widely well-known.

So here we can see that the government and also the citizens are working together for the better future of Bojonegoro. The innovation of Bupati Suyoto to rebuild Bojonegoro consists of six points. Those points are stated in the power point made by Suyoto entitled “Bojonegoro: Melawan Kutukan Sumberdaya Alam, Wujudkan Pembangunan Berkelanjutan”, as pillars to govern Bojonegoro. Suyoto hoped that those pillars can be done continuously and sustainable. He also made some transformations for the success future of Bojonegoro. It also stated in Suryaningsum et al (2014a, 2014b) and also Suyoto (2015a, 2015b) that there should be good governance to maintain poverty.

Good communication between the government and the people will increase the knowledge and well-being. This can be seen from the level of Human Development Index. Human Development Index (HDI) is a comparative measure of life expectancy, literacy, education and standard of living for all countries around the world. HDI is used to classify whether a country is a developed country, developing or underdeveloped countries and also to measure the impact of economic policies on quality of life. Below is a table in Bojonegoro HDI since 2008 up to 2013.

Table 1: Human Development Index

Year	HDI	Health Index	Life Expectancy	Purchasing Power Parity (PPP) Index
2008	65.83	69.79	66.87	57.14
2009	66.38	70.02	67.01	58.21
2010	66.92	70.24	67.15	59.19
2011	67.32	70.47	67.28	60.12
2012	67.74	70.7	67.42	61.02
2013	68.06	70.88	67.53	61.72

Source: Human Development Index in Bojonegoro 2008-2013, Badan Pusat Statistik Indonesia - Indonesia Statistic Centre Bearau (2013).

Bojonegoro’s human development indicator (HDI) is increasing from year to year. In 2008, the number of Bojonegoro’s HDI is 65.83, while in 2009 is 66.38, and it is increasing every year. In 2013, Bojonegoro’s HDI level became 68.06. This is one of the empirical evidence for the success of development communication in Bojonegoro. There is one way system to improve the welfare of people in Bojonegoro. The human development indicators is one measurement that can be used to assess the quality of human development, both in terms of its impact on a person's physical condition (health and welfare) as well as non-physical (intellect) conditions. Development impact on physical condition of people is reflected in life

expectancy and purchasing power, while the non-physical impact can be seen from the quality of public education. Another assessment is the increasing HDI in each year. The things stated above are one of the empirical evidences for the success of communication development in Bojonegoro.

Human development index is a strategic indicator that is widely used to see the efforts and performances of the overall development programs in certain region. In this case, the HDI is regarded as a reflection result of the development programs that had been done several years before. Likewise, the progress of development programs within a period can be measured and demonstrated by the amount of HDI at the beginning and end of the period.

HDI is a measurement for the impact of development performance of the region which has a very large dimension. The reason why is because it shows the quality of the population of certain region in terms of life expectancy, intellectuality, and decent living standards. HDI is a very important indicator to assess the welfare of society. The same thing happens to health index, life expectancy, and purchasing power parity index.

On the implementation of Bojonegoro development planning, HDI also provides guidance in setting priorities and determines the policy formulation development program in there. It also serves as guidance to allocate the budget in accordance with the general policy that has been determined by the policy-makers and decision-makers in Bojonegoro.

3.2 Implementation of Bojonegoro's Good Governance System

Previous research (Suryaningsum et al, 2014a) states at the first time Suyoto served as Bojonegoro the head regent of Bojonegoro, he realized that the level of citizens' reliance toward the previous government was low, because there were some problems in the bureaucracy. Since then, Suyoto tried to do a significant change of governance/bureaucracy, to reach a better government with the hope that the citizens could respect and support them again.

Bureaucracy transformation, as the fact that was found at that time that the level of citizens' trust toward the previous government was low, this transformation was arranged as one of the priorities. Hopefully bureaucracy transformation could refresh the situation and condition of politic leadership, social, business and bureaucracy itself. Transformative leadership as a movement and system of changing that runs sustainably. In leading Bojonegoro, Suyoto applied 6 pillars of Bojonegoro sustainable development and 6 transformation elements. These bases/principles cannot be done by only focus on status quo government orientation, reliability and harmony. These bases/principles should be maintained by applying harmonic and dynamic approach, according to Suyoto (2015a, 2015b). In term of reaching transformational leadership, a government should be fully supported by other aspects such as political parties, mass organizations and civil organizations. A good harmonization of them might be valued as and a source of a qualified government. The task of government is as a facilitator in the process of citizens and government communication. Government stakeholders, especially those who are in the position of DPRD, the chosen people, have to be responsive and reactive in this transformational leadership (Basri, 2007). The policies of bureaucracy transformation can be seen in 6 transformation elements. The first is vision transformation where Bojonegoro people need to know and understand the future vision that is arranged together. Hopefully this vision can be a reference to aim a good future. The future Bojonegoro is a district that is prosperous, happy, delightful and sustainably developed. The

second is transformational strategy, in this transformation, Suyoto focuses on basic problems (basic infrastructure and human qualification) and builds base strength of special quality of Bojonegoro that fulfils sustainable development principles (to save the weak, empower and facilitate the needy, give opportunity and freedom so that Bojonegoro people can develop their entrepreneurship well so that there will be good symbiosis between Bojonegoro people and government). Certain financial estimation policies and stakeholders' arrangement and empowerment are used to accelerate regional development. Horizontal relationship between government and the people is made by applying direct dialogue, so that there will be transparency, good communication and connection. The third is Governance Transformation, where this transformation tries to rearrange and even remove the existing complicated rule. The government of Bojonegoro tries to facilitate the license system by applying one way system. Suyoto also tries to computerize commodity service procurement. The fourth is Operational Level Transformation, where this transformation focuses on changing the ineffective, inefficient and non-synergy work performance into effective, efficient and synergy. The selection of state-worker is done strictly and in a transparent manner. The bureaucracy system of workers that oriented to structure is changed into coordination system which is more focused on the main issues of 6 pillars, strategy issue. It also changed structure oriented into function, close organization into open organization, and static into learning organization. The fifth is transformation on culture, the positive characteristic of Bojonegoro people such as strong, persevere and thorough. And the negative one such as worry, unconfident, jealous of others successfulness, and believe in issues. Positive characteristic of Bojonegoro should be kept, while the negative ones have to be left. The last is transformation of passion, which all of Bojonegoro people, the element of politic, business, education, and social activist must be together in performing their passion. The passion to cut off the negative aspect, to be friends in achieving better future of Bojonegoro.

To be expected Suyoto (2016) also makes some movements by applying slogan, "Stakeholders: Proactive, Accurate, Fast Response and Beneficial for others". This slogan means that all of stakeholders in Bojonegoro government should be innovative. The stakeholders also should be proactive in responding to all of Bojonegoro people's lamentations and suggestions. Fast response means that the government stakeholders should work effectively and efficiently. All of the government programs and planning should be beneficial for others. These movements are understood by all of Bojonegoro people, so if there is something wrong in its implementation, Bojonegoro people may do such their correction or protest through some way that have been prepared, public dialogue, direct text messaging to Bojonegoro Regent, website www.bojonegorokab.go.id, Lapor media, Open Data, and others. In governing, Suyoto applies six pillars for the development of Bojonegoro.

Hopefully these pillars can be done continuously and sustainable. These six points and pillars are economic development, environment, human and social resource, sustainable fiscal policy, governance pillar, and transformative leadership. Bojonegoro tries to apply smart, good and clean governance. Bojonegoro applies bureaucracy reformation and utilization of local officials. The management of bureaucracy system develops following public dynamics. The evaluation of SKPD is done every Friday morning to evaluate work performance. Transformative leadership spreads into politic, social, business and bureaucracy fields. It changes, develops, and maintains sustainably.

4. Conclusion

The discussion in this article is a real achievement of Bojonegoro development. Poverty reduction starts by increasing public trust. Bojonegoro democratic and transparent system is applied by having public dialogue every Friday after Friday prayers in Suyoto's official hall. There has always been sharing between the citizens and the government. Together they share about everything, about Bojonegoro's problem and try to find the solution to solve it, for the best future of Bojonegoro. The conclusion of this writing is Bojonegoro can rebuild itself since 2008 under Suyoto's control, by applying democratic and transparent system, with some sustainable development pillars and also Bojonegoro transformation. Public dialogue is supposed to be the best model in Indonesia. Public dialogue can improve public trust and eliminate corruption. Public trust and honesty are important capital for sustainable development.

The sustainable development pillars as the support of Bojonegoro development, which is sustainable, started from the leadership of the Regent Suyoto and forwards. Hopefully the plans that have been made and started are done sustainably. Bojonegoro chooses to do transformation rather than revolution because in transformation, there will be spirit to change. In governance, the good vision and mission will not be good if there is no support of good operations. The style of work is changed into informatics technology, transparent, to be more effective and efficient.

The passion here means that Bojonegoro people, together with the government, have to strengthen their passion to keep and increase the productivity to achieve a good future. Passion transformation is the passion to transform Bojonegoro to be more brilliant than before.

The next discussion is agenda of research. This agenda is based on the data of Local Development Planning Agency: Local (Regional) Offices of Bojonegoro Bappenas, the results of geospatial information. Bojonegoro needs to do 3 aspects of transformation. They are the transformation of today, oil and gas era, and also the era after oil and gas. It means that Bojonegoro has to transform from ego to eco system that has been applied by Suyoto.

5. Acknowledgement

The researchers' deepest gratitude go to Drs. Suyoto, M.Si. (the Regent of Bojonegoro, East Java, Indonesia), Drs. Soehadi Moeljono, M.M. (Sekda Bojonegoro), Drs. Gatot Sugiono, M.M., Agus Suprihanto, S.H., M.M., Amir Syahid, S.Sos., Nurul Azizah, S.Sos., Ir. Cahya Edi Nusantara, M.M., Rahmat Junaidi, M.Si., and Saleh Fathoni, S.Sos. The entire local official government in Bojonegoro, Bojonegoro District, DIKTI KEMENRISTEKDIKTI RI, LPPM UPNVY, Accounting Department of UPNVY, and Economic Faculty of UPNVY. Due to the process of this paper writing, we deeply thank to the research assistant, Berlina Ayu Suryana, S.E., Ak. and Intan Puspita Sari, S.S. Gratitude is also given to the people who give contributions in various ways during the accomplishment of this paper.

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Residential Child Care and Foster Care: Critical Comparative Analysis on Literature

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Abstract

The Residential child care and foster care are two popular substitute placements for children who are separated from their birth families. Various claims and comments have been made on both placements. Some are empirically supported, but some are merely personal beliefs. Unexamined claims and comments might have influenced social workers in their practices and research. Hence, this article presents a brief review of the literature in residential child care and foster care. For this purpose, a comparative analysis on 42 residential child care literature and 47 foster care literature was conducted. Outcomes of the analysis show that numerous themes can be generated. However this paper covers only three themes: child centric and comparative studies, professionalism of caregivers and children's problems. In brief, child-centric perspective and comparison group were not commonly used in studies on both placements. Training for caregivers in both placements was highly discussed. Behaviour, education, and health issues were the common issues for children residing in both placements. Overall, both placements share a similar focus in practices and research. This implies that a comparative design to examine both placements concurrently could be a practical research design in future.

Keywords: Residential Child Care; Foster Care

1. Introduction

Claims or negative remarks are commonly found on residential child care. Some of the claims are supported by empirical studies but some are just personal beliefs. For instance, residential child care is claimed as "*the end of the road*" (Ven, 1991, p. 287), "*the worst family is still better than the best home*" (Frommann, Haag and Trede, 1991, p. 96). Other claims are such as stereotype on residential child care ignores many positive experiences (McCall, 1999), limited evaluations were conducted (Sallnas, Vinnerljung and Westermarck, 2004), social work education has marginalised residential care (Smith, 2005), residential care is not sufficient to cope with special needs children (Ward, 2006) and gender issue is overlooked (Andersson, 2005; O'Neil, 2008).

Similarly, claims have been made towards foster care. Such claims include less research has been done on younger children (Whiting and Lee, 2003), guidance in foster care is less comprehensive as compared to adoption (Szabo and Ritchken, 2002), social workers favour foster care (Kahan, 1991), foster care is just a "*permanent temporary care*" (McKenzie, 1999b, p.1) and gender issue is overlooked (Andersson, 2005; O'Neil, 2008).

Social workers rarely refer to research findings in making assessment (Taylor, 2004). They might just unaware with the latest evidence from the researches and mostly influenced by some unexamined claims or exceptional cases. Moreover, local studies on Malaysian substitute care system are hardly found in international literature (Raj and Raval, 2013) and concept of foster care has not been given proper attention by the local academics (e.g. Salma Ishak, Jusmawati Fauzaman, Noor Azizah Ahmad and Fuziah Shaffie, 2010). Thus, doing

literature review on residential child care and foster care is beneficial in helping social workers to comprehend the current trend of research activities and latest issues in both placements. Hence, this article presents a comparative analysis on residential child care and foster care literature, and further discusses outcomes of the comparison.

2. Method of Study

For the purpose of this study, residential child care refers to institutional based substitute care provided to children who are separated from their families. It is typically represented by children’s homes or orphanages but exclude foster homes or correctional-based institutions. Conversely, foster care is defined as flexible substitute care provided in family environment setting. Typical examples are foster families and foster homes.

A pool of literature was selected based on its availability in the EBSCOhost Academic Search Primer database. Search terms used are residential care, residential child care, children’s home, orphanage, foster care, foster home, foster family care, foster parents and foster children. Literature was selected based on its relevancy and applicability to the concepts and context of residential child care and foster care stated above. Content analysis was conducted on each literature on what and how the studies were conducted. Both sets of literature in residential child care and foster care were then compared critically for similarities and differences. Hence, review presented in this paper is not comparable to any kind of Meta-Analysis.

Forty-two literatures in residential child care were reviewed. The materials comprise 28 journal articles, one book and 13 chapter-in-books. Nevertheless, nine journal articles and 11 chapter-in-books are not research based. Conversely, 47 literatures in foster care were reviewed. The materials comprise 42 journal articles, three books and two chapter-in-books. However, 10 journal articles, one book and two chapter-in-books are not research based (Table 1).

Table 1: Literature in residential child care and foster care

Residential Child Care	Quantity	Foster Care	Quantity	
Journal Article	28	Journal Article	42	
Book	1	Book	3	
Chapter-in-book	13	Chapter-in-book	2	
Total	42	Total	47	
Research Based Materials	Journal Article Book Chapter-in-book Total	19 1 2 22	Research Based Materials Journal Article Book Total	32 2 34

3. Findings

Comparative analysis on literature of both substitute cares had generated numerous themes such as behavioural and emotional problems, placement stability, reunification, accessibility to health care, sibling’s relationships and many others. However, this paper presents only three themes, namely child centric and comparative design, professionalism of caregivers and children’s problems.

a. Child Centric and Comparative Studies

Residential child care and foster care studies share many common methods in research. However, child-centric perspective is relatively absent in child care studies (Whiting and Lee, 2003). This is supported in this review (Table 2). From the 22 research materials on residential child care, only five (23%) studies are child centric studies. Similarly, only seven (21%) out of 34 foster care research materials can be classified as child centric studies. Although children are the main clients in the care system, they may not be the main focus of data collection in both residential care and foster care studies. Their perspectives have yet been fully sought and documented in research.

Table 2: Child centric studies

Residential Child Care			Foster Care		
Studies	Age	N	Studies	Age	N
Barter,2006.	8-17 year-old	32	Lipscombe, Moyers, and Farmer, 2004.	11-17 year-old	69
Andersson, 2005.	Young to Adult	26	Whiting and Lee, 2003.	7-12 year-old	23
Sinclair and Gibbs, 1998.	10 year-old and above	223 141	Andersson, 2005.	Young to Adult	26
Smith, McKay, and Chakrabarti, 2004.	Secondary School Age	59 11	Singer, Doornenbal, and Okma, 2004.	8-13 year-old	45
Kjelsberg and Nygren, 2004.	11-18 year-old	155	Bates, Baird, Johnson, Lee, Luster, and Rehagen, 2005.	14 year-old and above	43
			McAuley, 1996.	8 year-old and above	19
			Linares, Li, Shrou, Brody, and Pettit, 2007.	8 year-old and above	156

Comparative studies are hardly found in this review. Table 3 shows that only two residential care studies and three foster care studies had adopted comparative research design. Three of the comparative studies are also child centric studies. Linares et al (2007), Singer, Doornenbal and Okma (2004), and Kjelsberg and Nygren (2004) had compared children in their respective settings with other groups of children mostly on behavioural issues. In contrast, there are two adult centric comparative studies. McAuley⁶ (1996) used teachers' perspective to assess behavioural problems of foster children compared with other students in school, while Edens (1998) assessed effects of training to residential care workers.

Overall, no studies in this review make direct comparison between children in residential care and children in foster care. Hence, future research studies in residential care and foster care shall empower children's voices and embrace comparative research design. Residential child care and foster care can be used as comparison group for each other. Children are the main clients in the system of substitute care. They should be constantly consulted in constructing and preparing an ideal substitute placement.

⁶ McAuley (1996) applied various research designs in his study on long-term foster care. His study has both child centric and adult centric components.

Table 3: Comparative studies

Residential Care Studies	Comparison	Foster Care Studies	Comparison
Edens, 1998.	Training for residential workers	Linares et al, 2007.	Siblings in three conditions (together, apart, disrupt)
Kjelsberg and Nygren, 2004.	Residential institutions vs. mental institutions	McAuley, 1996.	Teachers report on behavioural problems: foster children vs. other students
		Singer, Doornenbal, and Okma, 2004.	Foster children vs. birth children on behavioural problems

b. Professionalism of Caregivers

There is a movement in Europe especially in England and Scotland to increase number of social work trained caregivers in residential child care (Heron and Chakrabarti, 2002; Karban, 2000; Smith, 2005). Similarly, there are some evidence shows that some foster parents in the West are professional social workers (Lipscombe, Farmer and Moyers, 2003). Caregivers in residential child care and foster care have similar job description but both of them are belonged to two distinct groups of people with different background.

Figure 1 shows that caregivers in residential child care services are comprised of volunteers, non-professional staff and professional staff, while those in foster care services are kin, non-kin foster parents and professionals. Caregivers in institutions are mostly well paid and have full supports from their institutions compared with their counterparts in foster care services.

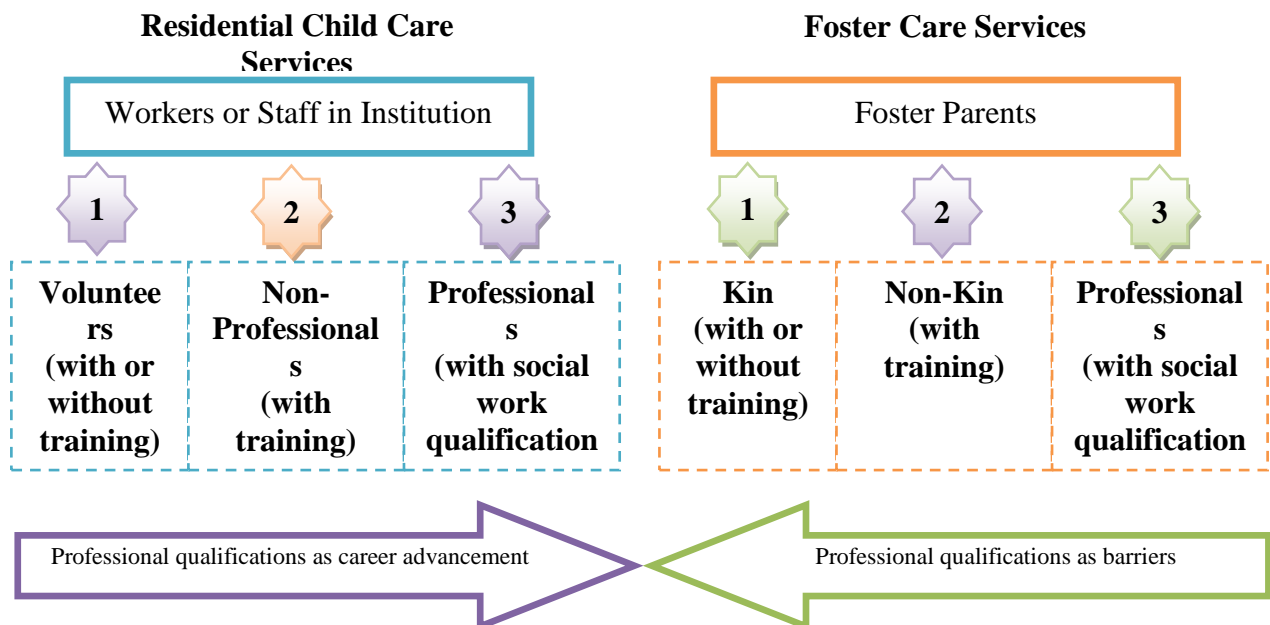


Figure 1: Comparison between caregivers in residential child care and foster care

Advocating professional qualification for caregivers in residential child care is reasonable because this can be viewed as career advancement that will boost the morale of the workers. However, advocating professional qualification for foster parents might bring reverse impact

that indirectly create barriers to the potential foster parents. Hence, it can be concluded that qualification is most needed in residential child care setting and continuous training is needed in foster care setting.

The above premature conclusion should be further verified through various study design, namely perception study, quasi experimental study and focus group study. Perception study can be conducted to articulate caregivers' perceptions towards the importance of training and formal qualification in delivering care to the children. Quasi experimental study helps in clarifying the effects of training and formal qualification to the care services. Consequently, content of training or syllabus can be better designed by having focus group study on caregivers.

c. Children's Problems

Sexual abuse scandals reported in the institutions (e.g. Barter, 2006; Kjelsberg and Nygren, 2004; Lindsay, 1999b; Little, 1999; McKenzie, 1999a) reflect that children in residential child care are facing more serious problems as compared to their counterparts in foster care. Children in residential care are not getting sufficient attention and care from their caregivers, thus their educational and health needs can be easily overlooked.

Foster care studies, however, have recorded considerable number of problems among the children (e.g. Barber, Delfabbro, and Cooper, 2001; Craig-Oldsen, Craig, and Morton, 2006; Mapp and Steinberg, 2007; Szabo and Ritchken, 2002). Past experiences in negative life events and the current challenges in new environment require high level of social adjustment wills and skills. Hence, problems are also expected among children in foster care.

Table 4: Behavioural, educational and health problems

Problems	Children in Residential Care	Foster Care Children
Negative Past Experiences	√	√
Behavioural Misconduct	√	√
Emotional Problems	√	√
Low Social Adjustment	√	√
Low Academic Attainment	√	√
Poor Accessibility To Health Care	√	√
Poor Health Assessment	√	√
Low Educational Support	√	x (Questionable)
Placement Breakdown	x (Questionable)	√

Overall, children in both placements share similar problems in behaviour, education and health (Table 4). Low educational support and placement breakdown may not be definite problems for foster children and residential care children respectively. Although foster care children might have slightly advantages in educational support at home, availability of the support depends on personal commitments and efforts of their foster parents. Children in residential care might not have the problem of placement breakdown, this is because residential child care has always been regarded as the final resort.

Many studies have focused on the cause and the level of seriousness of the children's problems. However, not many studies like Lindsay (1999a) evaluate the solutions used to overcome the problems. Moreover, not many studies like Whiting and Lee (2003) approached

young children for their views. Children's problems will remain as problems if the problems are defined and described from adult's perspective. As presented in the Table 2 and 3, child-centric and comparative studies are lacking. Thus, more efforts have to be taken in exploring the problems from the children's perspective.

4. Limitations

The literatures reviewed in this paper were not randomly selected. It was selected based on the availability of the materials mostly in EBSCOhost Academic Search Primer database and its compatibility to the concepts of residential child care and foster care. Thus, the findings can be arguable and not for generalization. Furthermore, some literatures of residential child care and foster care are hardly differentiated because policies and practice of child placement are significantly different among countries. For instance, research by Andersson (2005) and, Sallnas, Vinnerljung and Westermark (2004) are applicable to both residential child care and foster care. Thus, the findings of the comparison in this paper should be carefully comprehended with the above limitations.

5. Conclusion

Residential child care and foster care can be illustrated as twins. Both are interdependent placements for children who are separated from their birth families. Sharing the same root of child welfare history, both placements have evolved intensively due to the rapid growth of child care research. Literature review on both placements shows that child centric and comparative studies, professionalism of caregivers and children's problems are substantive issues in research and practice. Hence, future studies may apply a comparative design to further evaluate each placement's achievement in serving the best interest of the children. The design should also embrace the caregivers' perspective and the children's perspective in generating knowledge.

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Conceptual Analysis of E-recruitment: The Role of Web-Site Usability and Organizational Attraction of Personnel in Nigeria

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Abstract

E-recruitment is interchangeably used as the practice of recruitment by means of cyber space. E-recruitment has been described as online recruitment, internet recruiting or cyber space recruiting using electronic web-based practice to advertise job vacancies online. As a result of rapid increased of technology advancement, the level of utilizing internet and electronic mails in conducting business activities in organizations had evident globally. The aims of this study are to examine the importance of e-recruitment in facilitating organizational process of selecting quality and competence employees. The impact of globalization on today's tight and competitive labour market, available vacancies must be fill with qualified candidates as a major roles played by human resource managers. In the same vein, organizations realised that proper management of men, money, method, machinery etc, resulted to higher degree of productivity when suitable qualified people are recruited. In view of the above discussion therefore, this study is carried out to investigate the problems and provide the possible solution to organization on how to attract large pools number of applicants in recruitment process.

Keywords: E-Recruitment, Web-side usability, Online Recruitment, Competency, Organizational Attraction.

1. Introduction

E-recruitment is interchangeably used as the practice of recruitment by means of cyber space J (Adumeru, 2012). Online recruiting is a component in human resource that today serve as the most recent means of organizational searching for potential staff (Pfielemann et al., 2010). E-recruitment has been described as online recruitment, internet recruiting or cyber space recruiting. Using electronic web-based practice to advertise job vacancies online (Galanaki, 2002). As a result of rapid increased of technology advancement, the level of utilizing internet and electronic mails in conducting business activities in organizations had evident globally.

The importance of e-recruitment in facilitating organizational process of selecting potential staff cannot be over emphasise, beside it success of choosing quality and competence employee, the practice is organizations cost effective (Odumeru, 2012; Pfielemann, et al, 2010). Internet web-based application provides organizations instants and speedy access of assessing large pools of job seekers within a stipulated time frame. Another reason that made online process of application options significance as a recruiting medium, above other options such as professional recruitment agencies, such as Newspaper advertisement and other traditional recruitment method, are in house web-based recruitment which lower cost to employee (Cappelli, 2011; Cober, Brown, Blumental, Doverspite, Levy, 2000; Selden and Orenstein, 2011).

Organizations such as Nigerian Military, Nigerian Police force (NPF) Custom Service

Commission, Nigerian Drugs Law Enforcement Agency (NDLEA), Independent National Electoral Commission (INEC), Nigerian National Petroleum Corporation (NNPC), CBN and commercial Banks, companies and host of others, to mentioned but few, were using e-recruitment as strategy in recruiting their teeming workforce. However, recent research had shown that tremendous numbers of applicant are searching for jobs with the use of internet web-based. The main objective of this study is to explain the importance of E- recruitment of web-side usability on organizational attraction to employees.

2. Literature Review

2.1 Recruitment

There are a lot of divergent views used in describing the word recruitment, for example, Peretomode, (2001) explained the word as integral part of human resource which involves identification of attracting prospective applicant with needed talents and skills to pet into the vacant post exist in the organization. Recruitment is described as a series of activities carried out legally by organization to obtain sufficient number of qualified workers at the right time to put in the right place (Nickles et al, 1999).

Recruitment is the activity of human resource management, where as it main function is to critically identify an attractive potential applicant into existing vacant post of organization. While it is often clear that poor recruitment decision have a devastating effect to organizational performance and limit the desire goal to be achieved in the long run. Hence, the prerequisite to high quality of good and services begins from recruitment strategy (Randall, 2004). The concept is also perceived from the same point of views that emphasise must be given to identification of qualified candidate, as against the organization cost and time savings (Peretomode, 2001; Nickles 1999; and Randall, 2004). On the other hand recruitment is seeing as the practice and activities conducted by organization through human resource management with the primary aims of selecting prospective employees to fill the existing vacant posts (Breaugh and Starke, 2000), in the work of (Parry and Wilson 2009).

According to a study carried out by Khan, Khan and Khan, (2011) the important of human resource were highlighted that is considered as the backbone of every organization. Most of the organizations intend to invest huge amount of capitals in human resource department because it is the major area that will ultimately improves the performance of organization toward achieving goals and objectives. The improvement of performance increases effectiveness and efficiency in organization and assist the organization for the achievement of it goals in the long run. Certain factors were identified which help in improving work of staff are flexible schedules and training among others (Khan et. al., 2011).

Michael (2006) describes human resource management as strategic and intelligible method of management in an organization. It is a place where the most valuable human resources individuals who collectively cooperate together and contribute to the achievement of organizational objectives. The main purpose of human resource department is assuring the organization attainment of maximum level of productivity to the achievement of success using organizational manpower. Basically human resource management mostly concern with the achievement of the following goals and objectives.

Jusola (2010) asserted that the main purpose of recruitment by organizations is to fill in existing vacancies with competence personnel and proper staffing maintenance in order to tally with the organizational needs. Globalization paradigm shifted the human resource

management nature of organizational employment. There are involvement of several steps and stakeholders in organizational hiring process, which paved way to external participants such as recruiting firms or consultants as well as agencies (Compto et al, 2009; Jusala, 2010). Recruitment process began with the blue print statement of the organizational objectives (Jusala, 2010).

2.2 E-Recruitment

Electronic recruitment system was championed in 1980s as a form of independent job sites known as Bulletin Board System. E-recruitment is interchangeably use as the practice of recruitment by means cyber space (Adumeru, 2012). Online recruiting is a component in human resource that today serves as the most recent organizational means of search for potential staff (Pew internet survey, 2002; Pfeiffelmann, S. H. Wagner and T. Libkuman, 2010).

According to Smith (1999) the concept e-recruitment had positive impact to employers. Despite the fact that certain amount of huge money could be spend in designing a simple web-based, which consider expensive by small companies, but it is cost effective than the uses of newspapers. Another study conducted in U.K. on decision to recruit online. The author discovered internet agencies provide company with substantial amount of better applicants more than that of traditional method of recruitment (Galanaki, 2006).

The current competitive war of talents among recruiters is becoming increasingly more in the contemporary global arena. The organizational successes mostly depend or achieve through the attainment of employees which are highly valuables catalyst in organizations. A study ascertained that Web-based is the most popular means of recruiting staff to various post across both private and public sectors (Chapman and Webster, 2003). Another important factor that affect potential applicants is delays in accessing application process, this extensively discourage large number of applicants and causes job seekers to loss interest concerning a particular job especially the applicants with little computer knowledge. Speed and navigation of computer devices usually influence the perception of jobs seekers positively (Matthias and Justus, 2010).

2.3 Web-Site Usability

Digitalization has changed the method of traditional ways of recruitment; it has been supplemented with uses of web-based procedure. The initial stage of staffing process to the employment of competence and qualified applicants is very important to the organizational success, where by the potential applicants may have relevant knowledge on the particular job (Ployhart, 2006). Current trend of technological advancement played vital role on the process of recruitment which increases the number of organizations engages into uses of web-based in recruitment of personnel's.

The rise of recruitment using web-based by the organizations has been evident in the recent decade, a research survey shown that about 90% of the organizations are currently conducting the recruitment through their official web pages (Cappelli, 2001). Both public and private organizations nowadays use their websites in advertising vacant jobs and employment of their staff, through proper utilization of their human resource management activity (Elliot and Tevavichulada, 1999).

In recent years the usability and accessibility of web-based are not only applicable to

organisations along but it is also applicable to the general interactive systems. A well and sound criteria and guidelines have to be created and follows systematically for the purpose of obtaining more usable and accessible web-based to organizations (Barbara and Fabio, 2003).

In another study conducted by Sangmook (2012) ascertained that Public Service Motivation (PSM) serve as a driven force to encourage personnel's to the job satisfaction that will satisfy the general public interest. Person-Organization Fit theory postulated that in many instances the characteristics of an organization inspire prospective applicants to search for job in the organization. It also determine the level of correlation between the applicant characteristics of individual's attitudes as well as behaviours to that of organization, which have the direct influence to a certain degree of marching or fit between organizations and individuals (Sangmook, 2012). Many organizations developed a specific strategy of attracting attention of target individuals in recruiting new applicants. Although it was proved that attracting attention of people can be very difficult, due to the fact that many at times it used to be hard to know how to reach some of the most appropriate target applicants (Breugh, 2009).

3. Conclusion

This paper contributes to a deeper understanding of the role of website usability in attracting potentials applicants into organizations in Nigeria. It also indicated the numbers of advantages drive by organizations in searching competence and qualified personnel using Website in the recruitment process. The study clearly spelt out certain factors the organizations would adhere in order to attract a large pools of prospective job seekers who's in the long run would result to the higher productivity in the organization. However, it is as a result of higher scarcity of talent in globalized labour market it become important issue to many organizations to search for more talented individuals into their work place. This make it imperative for organizations to engages in practices a sound strategy of stimulating as well as retaining the talented staffs that can contribute to the higher and profitable operation in the organization. It is very obvious employees always tends to get the best responses of their job performance from the organization.

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The Impact of a Dynamic Environment on Budgetary Participation with Information Processing as a Mediating Variable (An Empirical Study on Public SOE Managers and Staff Perception in Indonesia)

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Abstract

The study aims to find empirical evidence and to assess the factors influencing budgetary participation, which are the impacts of: (i) a dynamic environment on budgetary participation, (ii) a dynamic environment on information processing (task exceptions, task analysis, information technology, and information system), (iii) information processing on budgetary participation, and (iv) information processing that mediates the impact of a dynamic environment on budgetary participation. The study uses primary data from mail survey on the perception of Planning and Budgeting staff in 19 public SOEs in Indonesia. The study used path analysis to identify several factors that influence budgetary participation. The results indicate that (i) a dynamic environment has a positive impact on budgetary participation, (ii) a dynamic environment has a positive impact on information processes (task exception, task analysis, information technology, and information system), (iii) information processing has a positive impact on budgetary participation, and (iv) information processing mediates the impact of dynamic environment on budgetary participation.

Keywords: Dynamic, Budgetary, Participation, Information, Mediating.

1. Introduction Background of the Problem

State-Owned Enterprise (SOE), by definition, is a business entity that is either wholly or largely owned by the government through direct investments from separated state assets (Act 19, 2003). They felt that they are part of government asset, therefore competitive capacity is unnecessary and, consequently, they are fairly poor in efficiency and performance. Thus, compared to private enterprises, SOEs are still lagging far behind them in term of professionalism (Iskan, 2012).

SOEs are required to implement governance through the issuance of Decree of the Minister of State-Owned Enterprises No. 117 of 2002 on the Implementation of Corporate Governance (CG) Practices for SOEs. This was the case because the CG elements provide support for the budgetary participation. These elements are: (i) transparency, related to unveiling the budgetary issues in SOEs, (ii) accountability, all activities in budgeting can be calculated and taken into account, (iii) responsibility, all activities can be outlined and accounted for, including those processes of budgetary participation, (iv) independence, and (v) fairness.

Iskan (2012) admitted that the 2012 draft budget of the Ministry of SOE is a mere plagiary (cut-n-paste) of earlier draft, and, in fact, the budget allocation also tends to be not creative and less productive, with a slight change in year and figures. It is interesting to take his statement into consideration by asking the following questions: Is it true that budgetary participation remains nonexistent in SOEs? A turbulent dynamic environment causes various changes such as technological shift to smarter one require preparedness in Information

Processing Theory (IPT), including information in budgeting (Mulyadi, 2005). IPT is used in this study in an attempt to overcome the gap between the dynamic environment, information management, and budgetary participation.

2. Hypothesis Development

Dynamic Environment and Budgetary Participation

A dynamic environment put manager under pressure to obtain information in an anticipation of the unexpected events (Brownell and Hirst, 1986). Shields and Shields (1998), in their study, concluded that a dynamic environment affects budgetary participation. Wing *et al.* (2010) also concluded that a dynamic environment influences budgetary participation. In a dynamic environment as reflected in high uncertainty and centrality, it is highly likely that information discrepancy existed.

The motivation theory is used in Wing *et al.* (2010) as the variable that mediates the relationship between organizational commitment and dynamic environment with the budgetary participation and performance. The dynamic environment in the study is negatively correlated to budgetary participation, meaning that when the respondents aware that their environment is dynamic their budgetary participation rate will decrease. This is because the respondents have minimum information or knowledge about when their environment is dynamic, thus prefer not to take part in the budgeting process.

Previous studies discussed budgetary participation as being influenced by many factors, and the dynamic of an environment or change will increase the needs for participation in budgeting process. This is because the subordinates are quicker to update their information due to a dynamic environment and in need to do revision in budgeting; therefore budgetary participation rate increase is necessary. Based on the above description, we formulate the following hypothesis:

H₁: A dynamic environment positively affects budgetary participation.

IPT Mediates the Relationship between Dynamic Environment and Budgetary Participation

Dynamic Environment (DE) plays significant role in information processing (Edmonds, 2001). DE tends to have complex information. Therefore, managers need a good IPT for the complexity in order to provide the required information in budgetary participation. DE is also associated with the level of task uncertainty since it will adopt the change in environment that eventually requires involvement in the form of budgetary participation.

Task analysis (TA) is a process that allows task completion using the existing procedures and rules so as to make all things properly programmed. DE makes tasks increasingly unpredictable and complex; thereby demands various kinds of information. One aspect of task uncertainty is the task frequency that is increasingly unequal and turned out to be requiring more information that poses challenges to process the task analysis (Bystrom, 1999).

DE needs task analysis to overcome uncertainties and to increase employees' involvement in the next things to come, including participation in budgeting. Higher level of uncertainty will lead to an increased need for information, and higher level of uncertainty in organization can also increase the need for budgetary participation (Tushman and Nadler, 1978). Tara (2007) described that "a properly analyzed task will increase budgetary participation rate because of

favorable condition and the fact that the analysis motivates subordinates to take part in budgeting process.”

Furthermore, DE must be balanced with the availability of Information Technology (IT) that supports the acquisition of information. It is the consequence of the dynamics in the information. Information technology required in the information processing may reduce inefficiency and gap in many respects, including budgetary participation (Gattiker, 2007). Information technology can improve the absorption of fluctuating information as a consequence of the increasingly dynamic environment (Song et al., 2005) and improve the efficiency in budgetary participation.

DE is closely associated with the information system in organizations. Well-prepared companies are equipped with visionary information system and well prepared structure which are needed to confront the dynamic environment and anticipate any changes. The higher the complexity of an environment, the higher the uncertainty or dynamics in an organization are, and the complex environment requires good management of information system (Nobre *et al.*, 2009).

Based on the above description, the writers of this research formulate the following hypotheses:

H_{4a}: Task exceptions mediate the dynamic environmental influence on budgetary participation.

H_{4b}: Task analysis mediates the dynamic environmental influence on budgetary participation.

H_{4c}: Information technology mediates the dynamic environmental influence on budgetary participation.

H_{4d}: Information system mediates the dynamic environmental influence on budgetary participation.

3. Research Method

We use saturation sampling technique in this study. Saturation sampling technique means that all populations serve as the sample of this study. As for the population, they consist of: (i) manager of financial planning, and (ii) experienced budgeting process managers, indicated by their work experience in budgeting and other similar positions for minimally a year.

Budgetary Participation (BP) is defined as the involvement of subordinates in budgeting processes (Wing *et al.*, 2010) and is measured using 6 instruments by Milani (1975). Dynamic Environment (DE) is a state of uncertainty of change that is fluctuative from both within and without organizations (Wing *et al.*, 2010) and is measured using 12 instruments by Duncan (1972). Task Exceptions (TE) constitute the frequency of unpredicted or unexpected events in a conversion process (Brownell and Dunk, 1991) and is measured using 5 instruments developed by Whitney et al. (1983). Task Analysis (TA) is defined as the extent to which activity or work can be reduced to scheduled technical steps (Brownell and Dunk, 1991) and is measured using 5 instruments developed by Whitney *et al.* (1983). Information Technology (IT) is the availability of facilities and infrastructures for processing available data (Song *et al.*, 2005) and is measured using 3 instruments developed by Song *et al.* (2005). Information System (IS) is how the existing system in organizations properly developed for the present and future purposes (Osborne, 1994) and is measured using 10 questions by Osborne (1994).

4. Results and Discussion

The Influence of Dynamic Environment on Budgetary Participation (H₁)

Table 2: H₁ Testing Summary

Description	Results	
Dynamic Environment	0.424	0.000***

Source : processed data

It can be concluded from Table 2 that statistically, at a significance level of 5%, dynamic environment does influence the budgetary participation with a positive coefficient of 0.424. With such results, H₁, stating dynamic environment affect positively the budgetary participation, is supported. It is expressed in probability value of 0.000*** and positive coefficient value, which means that the higher the dynamic level of an environment, the higher the budgetary participation rate will be.

Dynamic environment makes the managers accustomed to dealing with various unpredictable situations and anticipate them. Therefore, this condition puts managers in an under pressure situation to perform budgetary participation. Considering the dynamic environment, it is irrelevant for the SOEs to continually using “cut-and-paste” method in devising their budget from earlier year budget with slight adaptation and increase in percent, or even reusing budget with certain interest as a consequence of demand for transparency in implementing CG in SOEs. In such a situation budgeting processes cannot be implemented rigidly, it requires participation instead. The results of this study coincide with those conducted by Hopwood (1976), Govindarajan (1986), Kren (1992), Shields and Shields (1998), and Wing *et al.* (2010).

Task Exceptions (H_{2a}) Mediation

Table 3 :Summary of H_{4a} Testing

Description	Equation 1		Equation 2		Equation 3		Equation 4	
	PA=α+b ₁ LD+e ₁		TE=α+b ₁ LD+e ₁		PA=α+b ₁ TE+e ₁		PA=α+b ₁ LD+b ₂ TE+e ₁	
Dynamic Environment	<u>0.424</u>	0.000***	0.252	0.000***			<u>0.395</u>	0.000***

Source : processed data

Regression analysis of first equation in Table 3 indicates that statistically dynamic environment significantly affects budgetary participation (Sig.<0.05) with a coefficient of 0.424. Regression analysis of second equation demonstrates statistically that dynamic environment significantly affects task exceptions (Sig.<0.05) with a coefficient of 0.252. It means that the dynamic environment positively affects the task exceptions; the more dynamic an environment, the more task exceptions will be. Regression analysis of third equation statistically indicates that task exceptions significantly affect budgetary participation (Sig.<0.05) with a coefficient of 0.213. It means that task exceptions have positive influence on budgetary participation. The more the task exceptions are, the higher the budgetary participation rate will be. Finally, the regression analysis of fourth equation statistically indicates that task exceptions affect budgetary participation after controlling dynamic environment (Sig.<0.05) with a coefficient of 0.395.

We can see from the Table that the coefficient of direct influence of dynamic environment on budgetary participation in mediating equation of 0.395 is lower than the coefficient of direct influence of dynamic environment on budgetary participation in the first equation of 0.424. The results demonstrate that task exceptions partially mediate the influence of dynamic environment on budgetary participation. Thus, it can be concluded that H₂ is supported by the fact that task exceptions partially mediate the influence of dynamic environment on

budgetary participation.

Task Analysis Mediation (H_{2b})

Table 4 : H_{2b} Testing Summary

Description	Equation 1		Equation 2		Equation 3		Equation 4	
	PA=α+b ₁ LD+e ₁		AT=α+b ₁ LD+e ₁		PA=α+b ₁ AT+e ₁		PA=α+b ₁ LD+b ₂ AT+e ₁	
LD	0.424	0.000***	0.399	0.000***			0.335	0.000***
AT					0.357	0.000***	0.223	0.001***

Note : *** significant at α=1%

Source : processed data

Regression analysis of first equation in Table 4 indicates that, statistically, dynamic environment significantly influences budgetary participation (Sig.<0.05) with a coefficient of 0.424. It is, in fact, a condition where dynamic environment positively influences budgetary participation, the more dynamic an environment, the more task analyses will be. Regression analysis of second equation demonstrates that, statistically, dynamic environment significantly influences budgetary participation (Sig.<0.05) with a coefficient of 0.399. Thus, dynamic environment positively influences task analysis; that is, the more dynamic an environment is, the more task analyses will be. Regression analysis of third equation demonstrates that, statistically, task analysis significantly influences budgetary participation (Sig.<0.05) with a coefficient of 0.357. This means that task analysis positively influences budgetary participation; that is, the more the task analyses are, the higher the budgetary participation rate will be. As for the regression analysis of the fourth equation, it indicates that task analysis influences budgetary participation after controlling the dynamic environment (Sig.<0.05) with a coefficient of 0.335.

We can see from the table that the coefficient of direct influence of dynamic environment on budgetary participation in mediation equation of 0.335 is smaller than that of direct influence of dynamic environment on budgetary participation in the first equation of 0.424. From these results, it can be concluded that task analysis partially mediates the influence of dynamic environment on budgetary participation. Therefore, it can be concluded that the fact that task analysis partially mediates the influence of dynamic environment on budgetary participation supports H_{2b}.

Information Technology Mediation (H_{2c})

Table 5 : H_{2c} Testing Summary

Description	Equation 1		Equation 2		Equation 3		Equation 4	
	PA=α+b ₁ LD+e ₁		TI=α+b ₁ LD+e ₁		PA=α+b ₁ TI+e ₁		PA=α+b ₁ LD+b ₂ TI+e ₁	
LD	0.424	0.000***	0.472	0.000***			0.290	0.000***
TI					0.421	0.000***	0.284	0.000***

Source : processed data

Regression analysis of first equation in Table 5 demonstrates that, statistically, dynamic environment significantly influences budgetary participation (Sig.<0.05) with a coefficient of 0.424. This means that the dynamic environment positively influences budgetary participation; that is, the more dynamic an environment is, the higher the budgetary participation rate will be. Regression analysis of second equation indicates that, statistically, dynamic environment significantly influences information technology (Sig.<0.05) with a coefficient of 0.472. This means that the dynamic environment positively influences the information technology; i.e., the more dynamic an environment is, the higher the information technology is. Regression analysis of third equation demonstrates that, statistically, information technology significantly influences budgetary participation (Sig.<0.05) with a coefficient of 0.421. This means that information technology positively influences budgetary

participation; that is, the higher the information technology is, the higher the budgetary participation rate will be. Finally, the regression analysis of fourth equation indicates that information technology significantly influences budgetary participation after controlling dynamic environment (Sig.<0.05) with a coefficient of 0.290.

From the table we can see that the coefficient of direct influence of dynamic environment on budgetary participation in mediation equation of 0.290 is lower than that of direct influence of dynamic environment on budgetary participation in the first equation of 0.424. The results tell us that information technology partially mediates the influence of dynamic environment on budgetary participation with a positive coefficient. Thus, we can conclude that the fact that information technology partially mediates the influence of dynamic environment on budgetary participation supports H_{2c}.

Information System Mediation (H_{2d})

Table 6: H_{2d} Testing Summary

Description	Equation 1		Equation 2		Equation 3		Equation 4	
	PA=α+b ₁ LD+e ₁		SI=α+b ₁ LD+e ₁		PA=α+b ₁ SI+e ₁		PA=α+b ₁ LD+b ₂ SI+e ₁	
LD	0.424	0.000***	0.120	0.004***			0.384	0.000***
SI					0.379	0.000***	0.333	0.000***

Source : processed data

Regression analysis of first equation in Table 6 demonstrates that, statistically, dynamic environment significantly influence budgetary participation (Sig.<0.05) with a coefficient of 0.424. This means that dynamic environment positively influences budgetary participation; that is, the more dynamic an environment is, the higher the budgetary participation rate there will be. Regression analysis of second equation system indicates that, statistically, dynamic environment significantly influences information system (Sig.<0.05) with a coefficient of 0.120, which means that a dynamic environment positively influences information system; that is, the more dynamic an environment is, the higher the budgetary participation will be. Regression analysis of third equation indicates that, statistically, information system significantly affects budgetary participation (Sig.<0.05) with a coefficient of 0.379. This means that information system positively affects budgetary participation; that is, more sophisticated information system will increase budgetary participation rate. Regression analysis of fourth equation indicates that information system significantly influences budgetary participation after controlling the dynamic environment (Sig.<0.05) with a coefficient of 0.384.

We can see from the table that the coefficient of direct influence of dynamic environment on budgetary participation in mediation equation of 0.384 is smaller than that of direct influence of dynamic environment on budgetary participation in the first equation of 0.424. From these results, it can be concluded that the influence of dynamic environment on budgetary participation is partially mediated by the information system. The results tell us that information system partially mediates the influence of dynamic environment on budgetary participation with a positive coefficient. It can be concluded that information system which partially mediates the influence of dynamic environment on budgetary participation supports H_{2d}.

The results of this study coincide with those of previous studies by Tushman and Nadler (1978), Edmonds (2001), Song et al. (2005), and Tara (2007). Dynamic environment in SOEs makes it difficult to predict the activities to be implemented. This fact then increases task exceptions. Such an increase motivates managers to participate in budgeting as a

consequence of unpredictable events in the budgeting. Therefore, this situation requires higher participation rate. Managers are motivated to take part in budgeting process with the hope that the dynamic environment and task exceptions will not impede the activities implemented by their companies.

A dynamic environment creates volatile and fluctuating situation that increase the need for IT as an effort to adapt to the existing changes. Proper IT will motivate managers to participate in budgeting processes. SOEs in Indonesia implement their activities throughout the regions with various islands and vast range. This can only be achieved by information technology, especially in dynamic environments. This condition will increase the managers' demand for information technology to facilitate them in searching and managing information, as well as in taking part in budgeting processes. Likewise, a dynamic environment influences information system. The dynamic environment requires managers or companies to have a visionary information system that is capable of adapting to any changes in information and environment, and it is necessary to improve the budgeting participation processes.

5. Conclusion, Implication, and Suggestion

The study on the influence of dynamic environment on budgetary participation with information processes as mediating variables and empirical study on Public SOE managers' perception concluded that:

1. A dynamic environment positively influences budgetary participation. Furthermore, the more dynamic an environment is, the higher the budgetary participation rate will be.
2. IPT (task exceptions, task analysis, information technology, and information system) mediates the influence of a dynamic environment on budgetary participation.

These findings have several significant implications for various parties, such as: (i) The government, especially SOEs, can find out how Good Corporate Governance (GCG) is implemented in Public SOEs from the results of this study and (ii) Public SOEs, to support policies relevant to information processing for budgetary participation, such as devising task analyses continually to find the standardized pattern for operating system and procedure, as well as creation or improvement of technology and information system.

The study recommends several things as follow-ups for the researcher and other policy makers: (i) to conduct similar study in other public sectors, such as Regionally-Owned Enterprises and (ii) to conduct follow-up research to measure the quality of CGC implementation in SOEs, either *Perum* (a state that aims for the public benefit in the form of provision of goods and/or services and the same time the pursuit of profit is based on principles of corporate management), *Persero* (a state that its primary the pursuit of profit with a stake or a minimum capital of 51% is by the Government), or SOE, for future comparative studies.

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The Impact of Wage Structure on Industrial Competitiveness

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Abstract

There is a relationship between wage structure and industrial competitiveness. Wage structure determines industrial competitiveness through its impact on labor productivity. The impact of wage structure, measured using wage dispersion, on labor productivity is ambiguous. Based on the tournament model, an increase of wage dispersion leads to an increase of labor productivity. Conversely, in the perspective of the fair wage-effort hypothesis, higher wage dispersion is followed by lower labor productivity. This study analyzes the impact of wage structure on Indonesia industrial competitiveness through labor productivity as the intervening variable. Industrial workers include both blue collar workers and white collar workers. This study uses secondary data published by Statistics Indonesia office. In the first equation, we regress labor productivity on wage dispersion and institutional variable. As for the second equation, we regress industrial competitiveness on the fitted value of labor productivity and infrastructure. The results show that for blue collar workers, there is a negative impact of wage dispersion on labor productivity; and its impact on industrial competitiveness is also found negative. For white collar workers, wage dispersion brings a positive impact on labor productivity and on industrial competitiveness.

Keywords: Wage, Structure, Dispersion, Industrial, Competitiveness

1. Introduction

The influence of pay systems on labor productivity is discussed recently in labor economics. Workers' effort is not only affected by wage but also by relative wage (Lallemand et al., 2004). Relative wage is considered playing a key role in determining workers' effort. Workers compare their wages with those of their co-workers. Relative wage is reflected on wage structure that describes the pays ranges according to the level of the job. Wage structure depicts a schedule of wage differentials among jobs in a firm or an industry.

There is an impact of wage structure on workers' efforts. If wage structure is considered fair, workers will respond to it by making higher efforts and vice versa. Workers realize that wages will vary according to the job. But the problem is whether a wage structure considered fair. In line with wage structure, there is no clear theoretical consensus on the characteristics of this relationship. There are two theoretical frameworks that discuss the impact of wage structure on workers' efforts namely the tournament model and fair wage-effort hypothesis. The tournament model stresses that a more differentiated wage structure stimulates workers' efforts. Workers competed with each other in order to get the largest award; the higher the pay, the higher the workers' efforts. Conversely, the fair wage-effort hypothesis argues that wage compression reinforces workers by improving workers' relations and stimulating cohesiveness among workers (Mahy et al., 2011).

A growing interest in research is devoted recently to analyzing the relationship between wage structure and industrial competitiveness. Besides such factor as infrastructure, industrial competitiveness depends on labor productivity, and then the latter is determined by wage

structure. There is no clear theoretical consensus on the characteristics of the relationship between wage structure and labor productivity (Martin, 2008); therefore, the impact of wage structure on industrial competitiveness remains unclear as both negative impact or positive impact are suggested (Mahy et al., 2011).

Industrial workers consist of blue collar and white collar workers. A blue-collar worker is a working class person who performs manual labor. They involve both skilled and unskilled labor such as workers who work under a supervisor, supervisors, and experts. In contrast, white-collar workers perform work in an office environment and may involve sitting at a computer or a desk. White collar workers involve administration staff, sales staff, accountants, and managers. Blue collar and white collar workers face a different environment; therefore, they respond differently to wage structure. Then, the impact of wage structure on industrial competitiveness will vary according to different industrial environment one of which is the type of workers.

If the wage structure, reflected by wage dispersion, is considered fair, then workers will respond to it by showing higher efforts. The higher efforts will be followed by higher productivity. Productivity is a key factor that determines industrial competitiveness. With higher productivity, a firm or an industry may produce goods at a lower cost and will increase its industrial competitiveness. This type of company would manage to compete and should be winning the competition. This success will ensure profits over time which will enable it to thrive (Latruffe, 2010). Then, the problem is which wage structure in fact the workers want; the tournament model or the fair wage-effort hypothesis. This paper investigates the relationship between wage structure and industrial competitiveness and also examines whether this relationship varies across worker types.

The remainder of this paper is organized as follows. Section 2 reviews the literature regarding the relationship between wage dispersion and industrial competitiveness. We describe our methodology in Section 3. Section 4 reviews the empirical results and analyzes the impact of wage dispersion on labor productivity and industrial competitiveness. Section 6 carries the conclusion.

2. Literature Review

Neoclassical economics has developed a wage structure called tournament model. To maintain company efficiency, employers pay wage as high as the value marginal product of labor. This framework assumes that workers have no emotion, and then like the other input, they receive wage as high as their value marginal product. Wage will vary according to labor productivity. The employers pay the highest wage to the most productive workers, which in turn leads to more wage dispersion. This model points out that a more differentiated wage structure stimulates workers' efforts through (Charness et al, 2014) the incentive resulting from awarding the biggest prize to the most productive workers.

The introduction of performance-related pay systems typically leads to an increase in wages dispersion (Mahy et al, 2011). This is due to the fact that there is a greater underlying variation in the individual endowments that determine labor performance. High wage dispersion leads to a high competition among workers which in turn creates a negative impact on industrial competitiveness. A worker tends to do the uncooperative behavior. High wage differential motivates workers to look good or to make a colleague look bad neither of which supports company's performance. The unwillingness of workers to cooperate would hamper

the company's effort to increase its competitiveness.

To minimize the uncooperative behavior, the employer must reduce pay differential. This is the theoretical argument of fair wage-effort hypothesis stated by Edward Lazear. This framework points out that workers' efforts depend not only on wage but also on a relative wage that depicts wage distribution in a company or an industry. The workers will reduce their efforts if their wage is considered unfair. Wage is considered fair if the pay spread is lower than the performance differential. Lazear points out that a compressed wage structure should be preferred when the initial incentive effect of a performance-related pay system is offset by a lower degree of work cohesion due to the sabotaging behavior of some workers (Mahy et al, 2011). Pay compression within a company is essential when a team is required to carry out the job. In this case, lower wage dispersion stimulates cohesiveness among workers which in turn will increase the company's performance.

However, there is no clear theoretical consensus on the relationship between wage structure and productivity. In this respect, the impact of wage structure on industrial competitiveness remains unclear as both a negative impact and a positive impact are not yet decisive. Wage leveling within workplaces and industries may enhance productivity. Then, there is a positive relationship between wage dispersion and firm's performance. Higher wage dispersion is associated with a better performance (Poggi, 2013; Mueller, 2016). This finding confirms the tournament model rather than the fair wage-effort hypothesis. For high-skilled workers, wage is paid based on performance but not that of the low-skilled counterparts. This is because the former might better increase their productivity than the latter. In addition, the intensity of this relationship is found stronger among blue-collar workers and within firms with a high degree of monitoring. However, some researcher finds different results. Dong (2015) states that there is a negative effect of wage dispersion among high-skill workers on the firm's outcome. A larger dispersion of wage within firms is generally connected with a lower firm's performance. This result supports the fair wage-effort hypothesis rather than the tournament model.

Another important issue concerns with whether the relationship between wage dispersion and labor productivity depends on the industrial relations regime. Unions tend to reduce wage dispersion (Dumouchel, 2012) because of the increased risk of discrimination and the greater solidarity between workers. In line with the stipulation of The Republic of Indonesia Act Number 13 Year 2003 Concerning Manpower, there is an effort to secure the implementation of equal opportunity and equal treatment. The wage structure compresses wage differential resulting in lower wage dispersion. Workers consider that when wage structure is fair, they will respond to it by increasing their efforts.

3. Methodology

The secondary data published by the Indonesian Statistics is used in this research. Data involves wage dispersion, labor productivity, industrial competitiveness, and infrastructure in Indonesia of 2001-2013. The data is supplemented by an institutional factor i.e. The Republic of Indonesia Act Number 13 Year 2003 Concerning Manpower. The industrial data covers 4 manufacturing industries including food, textile, ceramic and basic metal, and, paper and chemical. Wage structure involves wage dispersion among blue collar and white collar workers. As for blue collar workers, wage structure is measured from the difference between wage of experts and wage of workers under supervisors. Meanwhile, for white collar workers, wage structure is measured from the difference between wage of managers and wage of administration staff. Furthermore, labor productivity is understood as the ratio of

output to the number of the employees. The ratio of the added value to the number of employees serves as a proxy for industrial competitiveness. As a proxy for infrastructure, we used the length of road per 1,000 km² land area. Then, the Act Number 13 Year 2003 Concerning Manpower is used as a dummy variable that takes on the values of 1 and 0; 1 refers the period of time after 2003 and 0 refers otherwise.

The data covers four industries of 2001-2013 and is labelled as panel data. The panel data is a data set that combines time series and cross sections. This data sets provide rich sources of information about the economy. In economics, the dependence of a dependent variable on another explanatory variable is rarely instantaneous. For this reason, we use dynamic panel data to cover. Furthermore, in the panel framework, it is crucial to decide which of the two estimators, fixed effects or random effects model, will be used. The Hausman specification test is usually used to decide whether to use the fixed effects or the random effects model.

First, before we regressed equation (1) and equation (2), we used a cointegration test to examine whether there is a long run equilibrium among variables in the model. In this objective, we used Pedroni cointegration test. Furthermore, in the first equation, we regressed wage structure on labor productivity and the Act Number 13 Year 2003 Concerning Manpower as a dummy variable. The first equation can be written in dynamic panel data as follows:

$$Y_{it} = \alpha_{1it} + \sum_{j=1}^k \alpha_{2ij} Y_{it-j} + \sum_{j=0}^k \alpha_{3ij} X_{1,it-j} + \sum_{j=1}^k \alpha_{4ij} ACT_{it} + e_{it} \quad (1)$$

When Y represents labor productivity, X_1 and ACT respectively represent wage structure and the Act Number 13 Year 2003 Concerning Manpower.

Second, this study examined the effects of wage structure on industrial competitiveness through labor productivity as an intervening variable. Thus, the effect of wage structure on industrial competitiveness will depend on its effect on the labor productivity. In the second equation, we regress industrial performance on wage structure, fitted value of labor productivity, and infrastructure. The second equation is written in dynamic panel data as follows:

$$Q_{it} = \beta_{1i} + \sum_{j=1}^k \beta_{2ij} Q_{it-j} + \sum_{j=1}^k \beta_{3ij} X_{1,it-j} + \sum_{j=0}^k \beta_{4ij} X_{3,it-j} + \sum_{j=1}^k \beta_{5ij} Y_{it-j} + \varepsilon_{it} \quad (2)$$

When Q represents industrial competitiveness, X_3 and Y respectively represent infrastructure and labor productivity.

4. Empirical Results and Discussion

Impact of Wage Structure on Labor Productivity

The results of Pedroni cointegration test show that the null hypothesis of no cointegration is rejected (Table 1). Therefore, there is a long run relationship between wage structure and labor productivity both for blue collar and white collar workers. Likewise, the second result also exhibits a long run relationship among wage structure, labor productivity, infrastructure, and industrial competitiveness. This cointegration implies that the variables have a stable long-run (equilibrium) relation and any deviation from this relation reflects just a short-run (temporary) disequilibrium.

To obtain a parsimonious model, we use lag length selection criteria based on Akaike's Information Criteria (Liew, 2004). Both for blue collar and white collar workers, the

optimum lag length is 1 year. In this case, we cannot apply Hausman specification test because random effects estimation requires a situation that the number of cross section exceeds that of the coefficient. Therefore, we assume that fixed effects model is an appropriate model. Then, based on the estimation of the fixed effects model and reduction of insignificant parameters, we have obtained a parsimony model (Table 2).

Table 1 : The Results of Pedroni Cointegration Test (Labor Productivity Model)

Statistic Panel	Blue Collar		White Collar	
	Statistic	Prob.	Statistic	Prob.
Panel v-Statistic	6.026*	0.000	1.958*	0.025
Panel rho-Statistic	0.359	0.641	1.078	0.859
Panel PP-Statistic	-2.474*	0.007	-2.452*	0.007
Panel ADF-Statistic	-2.233*	0.013	-1.840*	0.033
Group rho-Statistic	0.887	0.812	1.071	0.858
Group PP-Statistic	-12.565*	0.000	-13.078*	0.000
Group ADF-Statistic	-2.376*	0.009	-4.629*	0.000

*significant at 5%

Table 2 : The Impact of Wage Structure on Labor Productivity: OLS Results

Statistic Panel	Blue Collar		White Collar	
	Coefficient	Prob.	Coefficient	Prob.
Intercept	72.285*	0.000	-6.348	0.891
Labor Productivity _{t-1}	0.901*	0.000	0.898*	0.000
Wage Structure _{t-1}	-0.001*	0.007	-0.076	0.104
Act No. 13/2003	22.847*	0.000	13.982	0.670
Wage Structure _t			0.102*	0.028
Adjusted R ²	0.958		0.964	

*significant at 5%

For the blue collar workers, all of the regression coefficients are statistically significant. These results show that if the previous labor productivity increases by 1 million rupiahs, current labor productivity increases by 0.901 million rupiahs (*ceteris paribus*). This means that this industry always improves their labor productivity. Meanwhile, it was found out that there is no impact of the stipulation of the Act No. 13/2003 on labor productivity. This indicates that stipulation of this Act has not been optimally implemented. This is, probably, due to the completion of the government regulations as a further elaboration of Act No. 13/2003.

Furthermore, for blue collar workers, there is a negative impact of wage structure on labor productivity. An increase in wage dispersion leads to a decline in labor productivity. An increase in wage dispersion by 1 thousand rupiah, on average, would decrease labor productivity by 0.001 million rupiah. As the job is usually done by a team work, paying compression within a company is essential to increase cohesiveness among workers. Higher wage dispersion deters industrial relations and hampers cohesiveness among workers which in turn will decline to labor productivity. When higher wage differential leaves a group of workers dissatisfied with their relative wage, it can result in unwanted behavior. Wage structure that is suitable for blue collar workers is the fair wage-effort model which is designed based on fairness consideration. In line with the result of Dong (2015) there is a negative effect of wage dispersion workers on the firm outcome. A larger dispersion of wage

within firms is generally connected with a lower firm performance.

On the other hand, for white collar model, there are only two explanatory variables statistically significant. The previous wage structure and Act No. 13/2003 have no impact on labor productivity. The previous wage structure which is not significant indicates that white collar workers directly respond to a change of wage structure. Furthermore, the stipulation of Act No. 13/2003 has no impact on labor productivity, and this is probably due to the completion of the government regulations as a further elaboration of Act No. 13/2003. The coefficient of the previous labor productivity is positive and significant. This means that if the previous labor productivity increases by 1 million rupiah, current labor productivity goes up by 0.898 million rupiah (*ceteris paribus*). This condition implies that this industry always improves their labor productivity.

Unlike blue collar workers, for white collar workers, the current wage dispersion has a positive impact on labor productivity. An increase of wage dispersion leads to an increase of labor productivity. An increase in wage dispersion by 1 thousand rupiah on average will increase labor productivity by 0.102 million rupiah (*ceteris paribus*). This result suggests that for white collar workers, a differentiated wage structure is good for labor productivity. The wage structure which is suitable for the white-collar workers is the tournament model. Employers stimulate workers' efforts through incentive resulting from awarding the biggest prize to the most productive workers. It encourages workers to perform better than their peers to increase their earnings. This empirical result supports the results of Poggi (2013) that higher wage dispersion is associated with a better performance.

Impact of Labor Productivity on Industrial Competitiveness

By applying Pedroni panel co-integration test, we would test whether the variables show a long run relationship or not. Since the result gives a strong evidence that the null hypothesis of no cointegration can be rejected, these variables show a long run equilibrium (Table 3). A deviation from this relation, if any, indicates just a short-run (temporary) disequilibrium.

Table 3 : The Results of Pedroni Cointegration Test(Industrial Competitiveness Model)

Statistic Panel	Blue Collar		White Collar	
	Statistic	Prob.	Statistic	Prob.
Panel v-Statistic	1.822*	0.034	1.216	0.112
Panel rho-Statistic	-0.077	0.469	-0.068	0.473
Panel PP-Statistic	-1.345	0.089	-3.143*	0.001
Panel ADF-Statistic	-1.637*	0.050	-2.736*	0.003
Group rho-Statistic	0.151	0.559	1.088	0.862
Group PP-Statistic	-1.912*	0.028	-3.832*	0.000
Group ADF-Statistic	-2.015*	0.022	-3.059*	0.001

*significant at 5%

The lag selection is a crucial issue in the dynamic modeling. Model with too long lag can lead to a diminishing degree of freedom, and a model with too short lag can lead to a misspecified model. To obtain optimum lag, we apply Akaike's Information Criteria (Liew, 2004). Based on the criteria, the optimum lag length is 1 year. In this case, however, Hausman test cannot be applied because random effects estimation requires a number of cross section to exceed the number of the coefficient. We then assume that fixed effects model is an appropriate model. Based on the estimation of the fixed effects model, we apply a redundant variables test to obtain a parsimony model (Table 4).

Table 4 : Impact of Wage Structure on Industrial Competitiveness: OLS Results

Statistic Panel	Blue Collar		White Collar	
	Coefficient	Prob.	Coefficient	Prob.
Intercept	-125.159*	0.014	-98.96*	0.002
Industrial Competitiveness $t-1$	0.744*	0.000	0.776*	0.000
Labor Productivity $t-1$ (Fitted)	0.142*	0.050	0.084*	0.050
Wage Structure t			0.005	0.486
Wage Structure $t-1$	-0.013	0.380		
Infrastructure t	5.443*	0.038	3.951*	0.004
Adjusted R ²	0.925		0.971	

*significant at 5%

Table 4 indicates that all variables included in both the blue collar and white collar workers model and all variables are statistically significant, except for wage structure. This indicates that there is an indirect relationship between wage structure and industrial competitiveness. The wage structure has a direct impact on labor productivity, then the later serves as an intervening variable. In the blue collar workers, the coefficient of the previous industrial competitiveness is about 0.744. It shows that an increase in the previous industrial competitiveness of 1 million rupiah, on average, leads to about 0.744 million rupiah increase in current industrial competitiveness. This condition exhibits that there is a continuous improvement in the industrial sector. In addition, infrastructure has a positive impact on industrial competitiveness. An increase in the length of the road by 1 kilometer (per 1,000 km² land area), on average, will raise the industrial competitiveness by 5.443 million rupiah. Since infrastructure accelerates industrial development, better infrastructure promotes higher industrial competitiveness.

As for the blue collar workers model, labor productivity has a positive impact on industrial competitiveness. An increase in labor productivity by 1 million rupiah increases the industrial competitiveness by 0.142 million rupiah. Labor productivity is the cornerstone of industrial competitiveness and the source of competitive advantage for the company. The labor productivity variable in the second equation is a fitted value of labor productivity, the value resulted in the first equation. Concerning blue collar workers, the impact of wage structure on labor productivity is negative. As a result, its impact on industrial competitiveness is also negative. Thus, an increase of wage dispersion contributes to the decline of industrial competitiveness through its negative impact on labor productivity. This result supports the fair wage-effort hypothesis and confirms the study of Dong (2015) that there is a negative impact on wage dispersion workers on firm's performance. A larger dispersion of wage is generally associated with a lower firm's performance.

Meanwhile, the white collar model shows that wage structure has no direct impact on industrial competitiveness. This means that there is an indirect impact of wage dispersion on industrial competitiveness through labor productivity as the intervening variable. An increase in the previous industrial competitiveness of 1 million rupiah, on average, would make about 0.776 million rupiah increase in the current industrial competitiveness. It suggests that the industry always makes a continuous improvement. It also indicates that infrastructure has a positive impact on industrial competitiveness. An increase in the length of the road by 1 kilometer (per 1,000 km² land area) will lead to an increase of industrial competitiveness by 3.951 million rupiah.

Labor productivity has a positive impact on industrial competitiveness. An increase in labor

productivity by 1 million rupiah will increase the industrial competitiveness by 0.084 million rupiah. Labor productivity is a source of competitive advantage. For white collar workers, the impact of wage structure on labor productivity is positive as stated in the first equation. As a result, its impact on industrial competitiveness is also positive. An increase of wage dispersion increases industrial competitiveness through its positive impact on labor productivity. Large dispersion of wage within firms is connected with high firm performance. This finding supports the tournament model and confirms the studies of Poggi (2013) that there is a positive relationship between wage dispersion and firm performance. Higher wage dispersion is associated with better performance.

5. Conclusions

There is a relationship between wage structure and industrial competitiveness. The wage structure determines industrial competitiveness through their impact on labor productivity. For blue collar workers, there is a negative impact of wage dispersion on labor productivity. Higher wage dispersion leads to lower labor productivity, and its impact on industrial competitiveness is also negative. Still for blue collar workers, however, it is recommended to apply fairness consideration in wage determination. The wage structure which is suitable for blue collar workers is the fair wage-effort.

Conversely, for white collar workers, the impact of wage dispersion on labor productivity is positive, and its impact on industrial competitiveness is also found positive. Higher wage dispersion leads to higher industrial competitiveness. For white collar workers, the employer must apply performance-related pay systems, for it encourages workers to perform better than their peers to increase their earnings. For this reason, wage structure which is suitable for the white-collar workers is the tournament model.

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Income Distribution and Environment: Empirical Evidence from Malaysia, Indonesia, and Singapore

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Abstract

This paper examines the income distribution-environment nexus in the context of country-specific time series data. The short run and long run effects of income inequality, economic growth, domestic investment, trade openness and energy consumption on CO2 emissions in Malaysia, Indonesia, and Singapore were examined by using the autoregressive distributed lag (ARDL) approach and dynamic ordinary least square (DOLS) which serve as a robustness check. Annual data for the period of 1971 – 2011 is used. The empirical findings based on both estimations indicate that more equitable income results in better environmental quality for Malaysia and Singapore. On the other hand, better income distribution worsens the environmental quality in the case of Indonesia. It is also found that domestic investment, trade openness and national income has a beneficial effect on environmental quality in Singapore whereas energy consumption has a detrimental effect on pollution. As for Malaysia and Indonesia, most of the variables used in the model worsen the air quality in these countries.

Keywords: Income distribution, ASEAN, ARDL

1. Introduction

The issues of environmental degradation through development have become the issues that attracted the concern of many researchers and policymakers to debate and discuss. Earlier studies on environmental consequences of economic development which also known as environmental Kuznets curve (EKC) conducted by Grossman and Kruger (1991), Syafiq (1994), Agras and Chapman (1999) have found that there is an inverse-U shaped relationship between economic growth (GDP) and environmental quality (CO2 emissions) in which environmental quality worsens at low levels of income, and then improves as income increases. However, the studies may suffer from the omitted variable bias because factors other than economic growth also could be other important determinants of environmental outcomes (Iwata et al., 2010; Kim and Baek, 2011). In the recent EKC literature, several new determinants are proposed such as energy consumption, foreign direct investment, trade openness in addition to economic growth or income (Jalil and Mahmud, 2009; Iwata et al, 2010; Kim and Baek, 2011). Although the recent EKC literature has identified several variables as mention above, income distribution (inequality) is always being left out as one of the potential determinants. According to Torras and Boyce (1998), the greater income

equality will lead to lower levels of environmental degradation. Boyce (1994) argue that better income distribution will cause the society to demand a better environmental quality. Meanwhile, Heerink et al. (2001) show that redistributing income has a detrimental effect on the environment. Thus, according to the political economy argument, income inequality should be included as one of the determinants when testing the EKC hypothesis. Most of the existing studies applied to panel data of a group of countries for their empirical analysis, however, the studies that adopted country-specific time series data to examine the effect of economic growth on the environment by taking the role of income distribution into account is very limited. In this paper, we attempt to extend the existing literature by examining inequality-environment nexus in the context of country-specific time series data for Malaysia, Indonesia, and Singapore. The justification of choosing these countries was based on the trend that was seen from the year 1970 to 2010. Based on Table 1, collectively these countries showed variation regarding the trend of GINI and CO2 emission. Malaysia has recorded an increased for both GINI and CO2 emission while Indonesia, their GINI trend is decreasing but CO2 is rising, although on a slower rate than Malaysia. In the case of Singapore, the GINI trend has shown an uprising trend. However, their CO2 emission was decreasing each year. Considering that these three countries are closely situated geographically and closed economic relations, it is worthwhile to investigate if there are any linkages between GINI and CO2 in these three countries.

Table 1 : GINI index and CO2 emission (metric ton per capita)

Year	Malaysia		Indonesia		Singapore	
	GINI coefficient	CO2 emissions	GINI coefficient	CO2 emissions	GINI coefficient	CO2 emissions
1970	43.92	1.33	38.44	0.31	46.33	8.77
1975	41.21	1.57	48.88	0.41	40.45	10.84
1980	38.57	2.02	38.28	0.65	38.11	13.02
1985	42.04	2.29	48.85	0.74	38.65	12.21
1990	40.33	3.10	35.47	0.83	36.39	15.40
1995	38.05	5.84	47.17	1.15	35.38	13.36
2000	37.76	5.40	45.24	1.26	38.10	12.16
2005	37.9	6.86	34.3	1.52	47	7.11
2010	43	7.66	38	1.80	46	2.66

Source: Gini data is taken from University of Texas Income Inequality Project (UTIP)

The country-specific analysis will enable us to capture and account for complexities of the economic environment and its determinants in the respective countries, of which panel analysis is unable to capture. The empirical focus is on assessment of the short run and long run effect tested using ARDL approach to cointegration developed by Pesaran et al., (2001). Besides, the DOLS introduced by Saikkonen (1991) and Stock and Watson (1993) was tested to serve as a robustness check on their long run relationship. The remainder of this paper is organized as follows. Section 2 briefly describes the empirical framework used in this analysis. Section 3 presents the sources of data. In section 4, the main empirical findings are reported and elaborated. Finally, section 5 concludes the paper.

2. Literature Reviews

Literature examining pollution haven hypothesis for Malaysia, Indonesia, and Singapore based on individual time series analysis are scarce. Instead, there are only a few studies tested this hypothesis in these countries as a group of economies known as ASEAN (Association of South-East Asian Nations) countries using panel estimation. Lean and Smyth (2010) tested EKC hypothesis on ASEAN5 (Malaysia, Indonesia, Thailand, Philippine, and Singapore) using panel co-integration based on pooled sample. The authors find that the hypothesis is

only validated on ASEAN5 as a group, but the evidence based on individual country is varied. There is no evidence of EKC found in Malaysia, Singapore and Thailand except for the Philippines. In the case of Indonesia, income seems to increase monotonically with CO2 emissions. Next, Narayan and Narayan (2010) argued that EKC hypothesis is not supported by developing countries such as Malaysia, Indonesia, Philippines, and Thailand. However, based on the existence of the long-run relationship, the ECT for Malaysia, Indonesia and Thailand are negative and significant confirming a long run relationship between income and CO2. As a whole, while the income-CO2 emissions nexus is supported, the EKC is not supported for ASEAN especially Malaysia, Indonesia, and Thailand. Hossain (2011) examined the relationship between CO2, energy consumption, economic growth, trade openness and urbanization for a panel of nine newly industrialized countries that included Malaysia, Thailand and Philippines. The outcome showed that income and energy consumption have a long run significant impact on CO2 emissions in Thailand and Philippines. Based on panel granger causality test, there is no long run causality between income, energy consumption and CO2 emissions. However, in the short run, the causality runs from income to CO2 emissions.

3. The Model

The empirical model used in this research basically is modified version of theoretical framework developed by Torras and Boyce (1998), Heerink et.al (2001) and Baek and Gweisah (2013) to represent the long run relationship between CO2 emissions and its major determinants in a linear, logarithmic form (LN) shown as follows:

$$\text{LNCO2}_t = \alpha + \beta_1 \text{LNNGDP}_{t-1} + \beta_2 \text{LNID}_{t-1} + \beta_3 \text{LNEN}_{t-1} + u_t \text{ ---(1)}$$

We rearranged and extended the model by including another two determinant as follows:

$$\text{LNCO2}_t = \alpha + \beta_1 \text{LNNGDI}_{t-1} + \beta_2 \text{LNTO}_{t-1} + \beta_3 \text{LNID}_{t-1} + \beta_4 \text{LNNGDP}_{t-1} + \beta_5 \text{LNEN}_{t-1} + u_t \text{ ---(2)}$$

where CO2 is CO2 emissions measured in metric tons per capita; GDI is gross domestic investment measured in gross fixed capital formation; TO is trade openness measured in trade share of GDP; ID is income distribution measured by Gini coefficient; GDP is gross domestic product per capita (2005=100), and EN is energy consumption measured in kg oil equivalent per capita. GDI (β_1) is expected to have a negative relationship with CO2. This can occur if the country focuses on green investment or technology that help to control or reduce environmental degradation. TO (β_2) is expected to have either positive or negative sign with CO2 emissions. According to Shahbaz et al. (2012), international trade is beneficial to the environment (negative sign) since it encourage efficient use of resources due to international competition. The positive sign between TO and CO2 emissions, on the other hand, is due to natural depletion as stated by Jalil and Mahmud (2009). Next, the expected sign for ID also either positive or negative. Greater income equality results in lower level of environmental degradation as stated by Torras and Boyce (1998). GDP (β_4) is expected to have a positive sign which follows finding from Cole (2004). This is because, in the first period of development, a positive sign is expected when CO2 emissions would increase with income. Lastly, EN (β_5) is also expected to have either positive or negative relationship between CO2 emissions based on the level of country development. For example, a higher economic development that took place in the developed country will lead to an increase in an efficient consumption of energy thus causes the reduction of energy consumption. Finally, equation 2 is transformed into Bound testing approach based on Unrestricted Error Correction Model is shown as follows:

$$\Delta \text{LNCO2}_t = \alpha + \sum_{i=1}^p \sigma_i \Delta \text{LNCO2}_{t-i} + \sum_{i=1}^s \sigma_i \Delta \text{LNNGDI}_{t-i} + \sum_{i=1}^r \sigma_i \Delta \text{LNTO}_{t-i} + \sum_{i=1}^q \sigma_i \Delta \text{LNID}_{t-i} + \sum_{i=1}^t \sigma_i \Delta \text{LNGDP}_{t-i} + \sum_{i=1}^p \sigma_i \Delta \text{LNEN}_{t-i} + \beta_0 \text{LNCO2}_{t-1} + \beta_1 \text{LNNGDI}_{t-1} + \beta_2 \text{LNTO}_{t-1} + \beta_3 \text{LNID}_{t-1} + \beta_4 \text{LNGDP}_{t-1} + \beta_5 \text{LNEN}_{t-1} + u_t \quad (3)$$

where Δ is the first difference operator, u_t is a white-noise disturbance term. The above final model also can be viewed as an ARDL of order, $(p \ s \ r \ q \ t \ p)$. The model indicates that environmental quality (CO2) to be influenced and explained by its past values, so it involves other disturbances or shocks. From the estimation of ECMs, the long-run elasticities are the coefficient of the one lagged explanatory variable (multiplied by a negative sign) divided by the coefficient of the one lagged dependent variable. The short-run effects are captured by the coefficients of the first-differenced variables. The null of no cointegration in the long run relationship is defined by: $H_0: \beta_0 = \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = 0$ is tested against the alternative of $H_1: \beta_0 \neq \beta_1 \neq \beta_2 \neq \beta_3 \neq \beta_4 \neq \beta_5 \neq 0$, by means of familiar F-test. However, the asymptotic distribution of this F-statistics is non-standard irrespective of whether the variables are $I(0)$ or $I(1)$. For a small sample size study ranging from 30 to 80 observations, Narayan (2004) has tabulated two sets of appropriate critical values. One set assumes all variables are $I(1)$, and another assumes that they are all $I(0)$.

Meanwhile, the DOLS methods extend equation (2) to include leads and lags of first differenced non-stationary variables as :

$$\text{LNCO2}_t = \alpha + \beta_1 \text{LNNGDI}_t + \beta_2 \text{LNTO}_t + \beta_3 \text{LNID}_t + \beta_4 \text{LNGDP}_t + \beta_5 \text{LNEN}_t + \sum_{i=-m}^{-1} \alpha_i X_{t-i} + u_t \quad (4)$$

where X is a vector of included non-stationary variables. As mention earlier, the purpose of running DOLS is to serve as robustness checking because the DOLS able to controls for regressor endogeneity while ARDL tends to have regressor endogeneity issues.

4. Data

The annual data used in this studies cover from the year 1971 until 2011. The data span has been chosen based on the availability of the data for all series. The sources of data were collected from World Development Indicator (WDI) 2015 released by World Bank.

5. Empirical Results

The analysis began with testing the unit root for all variables on Indonesia, Malaysia, and Singapore. The two types of unit root test used here are Augmented Dickey-Fuller (ADF) and Philipp Perron (PP). Table 2 shows a confirmation of a mix of stationary at $I(0)$, and $I(1)$ for the variables tested which a precondition to run ARDL estimation. ID for Indonesia, Malaysia and Singapore were found to be stationary even at levels. Besides, Singapore GDI was also found to be stationary at level. Meanwhile, at first, difference based on PP unit root test, all variable tested are stationary between 1 to 5% significant level.

Table 2: Result of ADF and PP unit root tests

Country	Variable	ADF test statistic		PP test statistic	
		Intercept	Trend intercept	and Intercept	Trend and intercept
Indonesia Level	LCO2	-1.557 (0)	-2.975 (0)	-2.086 (11)	-2.777 (6)
	LGDI	-2.219 (1)	-2.434 (1)	-1.870 (1)	-1.992 (1)
	LTO	-2.385 (0)	-2.374 (0)	-2.518 (4)	-2.531 (4)
	LID	-2.179 (2)	-3.147 (3)	-6.815 (5)***	-10.853 (5)***
	LGDP	-0.868 (0)	-2.505 (1)	-0.856 (2)	-2.281 (3)
	LEN	-0.910 (0)	-1.392 (0)	-0.938 (3)	-1.417 (1)
First difference	LCO2	-5.962 (0)***	-5.990 (0)***	-6.296 (9)***	-7.175 (11)***
	LGDI	-4.325 (0)***	-4.271 (0)***	-4.206 (6)***	-4.148 (6)**

	LTO	-8.078 (0)***	-7.988 (0)***	-8.256 (2)***	-8.184 (2)***
	LID	-17.052 (1)***	-16.945 (1)***	-19.589 (6)***	-19.613 (6)***
	LGDP	-4.950 (0)***	-4.905 (0)***	-4.920 (2)***	-4.917 (1)***
	LEN	-6.184 (0)***	-6.186 (0)***	-6.181 (2)***	-6.192 (3)***
Malaysia Level	LCO2	-0.818 (0)	-2.175 (0)	-0.818 (0)	-2.204 (2)
	LGDI	-2.261 (1)	-2.343 (1)	-1.924 (1)	-1.821 (0)
	LTO	-0.814 (0)	-1.37 (0)	-0.804 (3)	-1.370 (0)
	LID	-6.604 (0)***	-6.688 (0)***	-6.594 (2)***	-6.683 (2)***
	LGDP	-1.329 (0)	-2.680 (1)	-1.244 (2)	-2.378 (2)
	LEN	-1.032 (0)	-2.122 (0)	-1.545 (11)	-2.191 (1)
First difference	LCO2	-7.535 (0)***	-7.455 (0)***	-7.522 (1)***	-7.445 (1)***
	LGDI	-4.494 (0)***	-4.494 (0)***	-4.429 (3)***	-4.361 (4)***
	LTO	-6.235 (0)***	-6.296 (0)***	-6.251 (5)***	-6.334 (6)***
	LID	-7.102 (2)***	-7.236 (2)***	-31.726 (38)***	-42.450 (23)***
	LGDP	-4.778 (0)***	-4.768 (0)***	-4.784 (1)***	-4.780 (1)***
	LEN	-6.630 (0)***	-6.718 (0)***	-6.973 (7)***	-9.632 (14)***
Singapore Level	LCO2	2.29 (2)	1.43 (2)	1.19 (3)	-0.30 (1)
	LGDI	-1.68 (1)	-2.75 (1)	-1.31 (2)	-2.11 (1)
	LTO	03.11 (0)**	-3.75 (2)**	-2.94 (3)**	-2.76 (5)
	LID	-0.71 (0)	-1.70 (0)	-1.01 (3)	-1.70 (1)
	LGDP	-3.90 (0)***	-3.40 (0)**	-5.60 (15)***	-9.87 (39)***
	LEN	-1.51 (0)	-2.19 (0)	-1.52 (2)	-2.23 (1)
First difference	LCO2	-0.63 (4)	-8.59 (1)***	-6.16 (3)***	-7.95 (3)***
	LGDI	-4.11 (0)***	-4.07 (0)**	-4.13 (3)***	-4.09 (3)**
	LTO	-4.81 (0)***	-5.28 (0)***	-4.71 (5)***	-5.20 (6)***
	LID	-5.56 (0)***	-6.37 (0)***	-5.58 (2)***	-6.37 (0)***
	LGDP	-3.53 (1)**	-4.05 (1)**	-5.13 (1)***	-5.74 (0)***
	LEN	-6.55 (0)***	-6.50 (0)***	-6.58 (2)***	-6.54 (3)***

Note: 1. ***, ** and * are 1%, 5% and 10% of significant levels, respectively. 2. The optimal lag length is selected automatically using the Schwarz information criteria for ADF test, and the bandwidth is selected using the Newey–West method for the PP test.

Next, to check the existence of long-run relationship between the variables for all the three countries, the analysis proceeded to detect the F statistic as shown in Table 3. The maximum lag of 4 was imposed in each model using Schwarz Bayesian criterion (SIC). The F-statistic for each country (13.08, 7.88 and 5.19) is higher than the upper I(1) critical value (significant at 1% level) table thus confirming the existing of long run relationship.

Table 3: Result of ARDL cointegration

Model	Maximum lag	SIC-lag order [v,s,r,q,t,p]	F Statistic
Indonesia	4	(2,0,4,1,1,0)	13.08***
Malaysia	4	(4,4,3,4,4,3)	7.88***
Singapore	4	(4,4,4,0,4,4)	5.19***
Critical Values for <i>F</i> -statistics [#]		Lower, I(0)	Upper, I(1)
k = 5	1%	3.41	4.68
	5%	2.62	3.79
	10%	2.26	3.35

Note: # The critical values are obtained from Narayan (2004), k is number of variables, critical values for the bounds test: case III: unrestricted intercept and no trend. *, **, and *** represent 10%, 5% and 1% level of significance, respectively.

The result from Table 4 confirms that all of the countries' model passed all diagnostic checking which renders the long term estimates of these models to be reliable. In summary, the models have no evidence of serial correlation and heteroscedasticity effect in disturbances. Besides, those models also passed the Jarque-Bera normality test which suggests that the errors are normally distributed, and all the model's specification are well specified. The model used is also under stable condition based on the cumulative sum of recursive residual (CUSUM) and CUSUM of square (CUSUMSQ).

Table 4: Result of Diagnostic Checking

Country	Serial correlation	Functional form	Normality	Heteroscedasticity	CUSUM	CUSUMSQ
Indonesia	2.53 [0.10]	2.42 [0.13]	0.64 [0.72]	0.62 [0.81]	S	S
Malaysia	0.18 [0.83]	0.07 [0.79]	0.79 [0.67]	0.54 [0.89]	S	S
Singapore	1.94 [0.19]	1.94 [0.19]	0.75 [0.68]	1.60 [0.20]	S	S

Note. S signifies stable model. The numbers in brackets [] are p-values.

Table 5 presents the estimates of the long-run parameters from ARDL and DOLS approaches. Generally, the result from both ARDL and DOLS are consistent in term of the expected sign for all three countries tested. TO (significant at 1% level) is found to have a positive influence on CO2 for both Indonesia and Malaysia. On the other hand, TO in Singapore is significantly (5 and 10%) negative. The positive influence of TO on CO2 implies that trade liberalisation that encourages exports may incur a higher level of pollution rate for both Indonesia and Malaysia. This finding is supported theoretically by Grossman and Kruger (1991). Similar expected sign of TO is detected for GDP influence on CO2 at Indonesia, Malaysia, and Singapore. GDI is found to be not significant for both ARDL and DOLS estimation in Indonesia. This means that the level of domestic investment does not influence the CO2 level in this country. The only difference is that the impact of economic development based on DOLS estimation is not significant for both Indonesia and Singapore. The negative influence of economic development in Singapore on CO2 means that with a higher level of development, it increases the standard of living of the people and therefore increase the demand for better environment quality. Meanwhile, GDI is found to be positive at Malaysia and negative base on Singapore estimation. The positive value of GDI in Malaysia means that domestic investment is harmful to the environment in Malaysia. This is not surprising because production technologies in Malaysia must not yet fully adopting greener technology that is able to reduce the CO2 emission release, therefore, polluting the environment. As for Singapore, the domestic investment follows very strict environmental control by its government and thus reducing the environmental degradation. Energy consumption (EN) in Indonesia and Singapore worsen the environment quality while in Malaysia, the use of energy consumption helps to improve the environment quality.

The main interest is the coefficient on income inequality (grey area). The estimate is found to be negative for Indonesia. This negative sign means that at the higher GINI coefficient (lower income equality) increases the CO2 emissions or 1% increase in GINI will increase the environmental degradation by 0.27% (0.63%). As for Malaysia and Singapore, the positive sign indicating that low GINI (greater income equality) decreases CO2 emissions. In other words, 1% decrease in GINI will decrease the pollution by 0.61% (0.35%) for Malaysia and 3.44% (4.82%) for Singapore. The outcome was similar to the studies done in the United States by Baek and Gweisah (2013). Besides, the finding also supported the political economy argument where an equal distribution of power and income in Malaysia and Singapore over the past four decades has increased Malaysia and Singapore citizens demand for a clean environment and the induced policy response, which in turn has led to more stringent environmental standards and stricter enforcement of environmental law, thereby enhancing environmental quality.

Table 5: Estimation of Long-Run Elasticities

Variables	Indonesia		Malaysia		Singapore	
	ARDL	DOLS	ARDL	DOLS	ARDL	DOLS
Constant	-6.69***	-3.43	-13.05***	-11.91***	37.18***	53.32***
LNGDI	-0.07	0.07	0.11**	0.15***	-0.52*	-1.70***
LNT0	0.35***	0.26**	1.06***	0.47***	-0.96*	-1.43**
LNID	-0.27***	-0.63**	0.61*	0.35*	3.44***	4.82***
LNGDP	0.52**	0.19	0.79**	1.00***	-0.71***	0.07
LNEN	0.65***	0.94	-0.38	-0.09***	0.98***	0.28

Note: (*),(**),(***), indicate significant at 10%,5% and 1% significance level respectively.

Lastly, Table 6 below reveals the outcome for short-run elasticities. Based on lag 0 (grey area) for Indonesia, GDP and EN are positive and significant at 1% level. These mean that in the short run, the increase in both GDP and EN lead towards environmental degradation in Indonesia. GDI and ID are found not significant and thus do not influence the Indonesia's environment. On the other hand, TO is significantly negative with CO2. As for Malaysia, only ID and GDP are found to influence positively on CO2. The most favorable results can be found in Singapore. The estimation on the short run shows that TO, ID, GDP significant and negatively influence CO2 emission while EN found to influence positively the environment. Based on ECM model, the long run relationship also supported by the negative and significant values of error correction term (ECT) for each model. ECT reflects the speed of adjustment for each model, and the negative value means that the variables in each variable will converge in the long run. The highest speed of adjustment is detected for Singapore (-1.85), followed by Malaysia (-1.56) and Indonesia (-0.86). Approximately, 185%, 156% and 89% disequilibria from the previous year's shock converge back to the long run equilibrium in the current year. The high R-square for all three models suggests that almost 95% and above of the variables in equation explains the pollution on each country tested in this study.

Table 6: Estimation of Short Run Restricted Error Correction Model (ECM)

Indonesia		Malaysia		Singapore	
Variables Δ	Coefficient	Variables Δ	Coefficient	Variables Δ	Coefficient
D(LNCO2(-1))	0.56***	D(LNCO2(-1))	0.21	D(LNCO2(-1))	1.06*
D(LNGDI)	-0.06	D(LNCO2(-2))	0.15	D(LNCO2(-2))	0.39
D(LNTO)	-0.25***	D(LNCO2(-3))	0.38*	D(LNCO2(-3))	0.73**
D(LNTO(-1))	0.24**	D(LNGDI)	-0.09	D(LNGDI)	-0.14
D(LNTO(-2))	-0.11	D(LNGDI(-1))	0.55**	D(LNGDI(-1))	0.40
D(LNTO(-3))	-0.25***	D(LNGDI(-2))	0.46*	D(LNGDI(-2))	1.14
D(LNID)	-0.06	D(LNGDI(-3))	-0.41**	D(LNGDI(-3))	-0.79
D(LNGDP)	0.91***	D(LNTO)	0.06	D(LNTO)	-1.79**
D(LNEN)	0.56***	D(LNTO(-1))	0.45	D(LNID)	-1.85**
ECT(-1)	-0.86***	D(LNTO(-2))	-1.01**	D(LNID(-1))	-0.46
		D(LNID)	0.65***	D(LNID(-2))	0.39
		D(LNID(-1))	-0.29	D(LNID(-3))	4.39***
		D(LNID(-2))	0.58**	D(LNGDP)	-1.54**
		D(LNID(-3))	0.51**	D(LNGDP(-1))	0.10
		D(LNGDP)	2.12**	D(LNGDP(-2))	0.03
		D(LNGDP(-1))	0.65	D(LNGDP(-3))	-0.299
		D(LNGDP(-2))	-2.36***	D(LNEN)	0.58**
		D(LNGDP(-3))	1.13**	D(LNEN(-1))	-0.51
		D(LNEN)	0.13	D(LNEN(-2))	-0.48*
		D(LNEN(-1))	-0.97**	D(LNEN(-3))	-0.52**
		D(LNEN(-2))	0.89***	ECT(-1)	-1.85***
		ECT(-1)	-1.56**		
R square	0.98	R square	0.99	R square	0.95

Note: Dependent variable is D(LNCO2). (*),(**),(***), indicate significant at 10%,5% and 1% significant level.

6. Conclusion

The objective of this study is to examine the inequality-environment nexus for Malaysia, Indonesia, and Singapore. Although several empirical studies on this issue exist, relatively little attention has been paid to the dynamic effect of income equality, income and other relevant determinants on the environment in the framework of country-specific time series data. Therefore, the primary contribution of this study is to assess the short and long run effects of income inequality, domestic investment, trade openness, per capita real income and energy consumption on CO₂ emission on Malaysia, Indonesia, and Singapore using an ARDL and DOLS techniques. The results show that income inequality and CO₂ emission for both Malaysia and Singapore have a positive relationship suggesting that greater equality distribution of income in these countries has a beneficial effect on environmental quality. This finding is consistent with the results of Magnani (2000). As for the case of Indonesia, there is a negative relationship between income distributions on CO₂ emissions suggesting that higher income distribution has worsened the pollution level in the country.

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Does Financial Development Promote Economic Growth in West Africa? Evidence from Cote D'Ivoire and Nigeria

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Abstract

Cote D'Ivoire and Nigeria are members of the Economic Community of West African States (ECOWAS) but differ in many aspects. While the former is the largest economy among the West African Economic and Monetary Union (WAEMU) that uses a common central bank, currency and stock market with seven other nations, Nigeria is the largest economy among the non-WAEMU countries. The level of financial development differs in the two countries and to a large extent, is expected to have implications for economic growth. This paper examines the relationship between financial development and economic growth in the two countries. Evidence from the study reveals the existence of long-run relationship between financial development and economic growth in both countries. It was discovered that financial development Granger causes economic growth in Cote D'Ivoire while the reverse is the case for Nigeria. Thus, the supply-leading hypothesis is supported in Cote D'Ivoire while the demand-following hypothesis is supported in Nigeria. Therefore, we recommend strengthening the present policies and reforms in the financial sector in Cote D'Ivoire in order to make it more growth-enhancing, and a re-evaluation of the financial sector policies and reforms in Nigeria with a view to repositioning the sector to accelerate economic growth.

Keywords: Financial development; Economic growth; West Africa.

1. Introduction

The nexus between financial development and economic growth has been a subject of debate among scholars and researchers since the time of McKinnon (1973) and Shaw (1973), and will continue to dominate discussion in the next decades. A large and expanding literature has been empirically investigating the direction of the causal relationship between financial development and economic growth. But the empirical results have been mixed and inconclusive as evidence abounds to support supply-leading hypothesis, demand-following hypothesis, complementarily hypothesis and neutrality hypothesis.

While the supply-leading hypothesis concludes that financial development promotes economic growth through resources mobilization and allocation as well as reduction in information, transaction and enforcement costs; the demand-following hypothesis argues that economic growth leads to the expansion and development of the financial system. Furthermore, though the complementarily hypothesis opines that a bidirectional causal relationship exists between financial development and economic growth, but the neutrality hypothesis is of the view that no causal relationship exists between financial development and economic growth (see Levine, et al., 2000; Apergis, et al., 2007; Ratsimalahelo and Barry, 2010; Menyah, et al., 2014).

This analysis shows the absence of consensus among scholars on the causal relationship between financial development and economic growth. The differences in findings from empirical researches could be due to differences in the data, methodologies, case studies and

proxies used by the researchers. Ang (2008) observed that although the positive effect of financial development on economic growth has become a stylized fact, there are some methodological reservations about these empirical results. As noted by Adu et al. (2013), the growth effect of financial development is very sensitive to the choice of proxy. The results could also differ from one country to another, depending on whether the country is classified as advanced economy, emerging market, low income country or resources-endowed nation. Calderon and Liu (2003) opined that the effect of financial development on output growth differ between developing and industrialized nations.

Although financial reform leads to economic development, the relationship between financial development and economic growth could be country-specific. Hence, World Bank (1993) documented that there cannot be wholesale acceptance of the view that financial development leads to economic growth, neither can it be generally accepted that finance follow growth among countries, because nations differ in-terms of institutional characteristics, economic policies and the implementation of the policies.

In Cote D'Ivoire and Nigeria, empirical evidence on the relationship between financial development and economic growth is still scanty. While Cote D'Ivoire is a member of the West African Economic and Monetary Union (WAEMU) that has a common central bank and use a common currency with seven other countries in West Africa; Nigeria is the largest country among the non-WAEMU member countries with a different central bank and national currency. The level of financial development differs in the two countries, and to a large extent is expected to have implications for economic growth. This categorization makes this study imperative. This paper empirically examines the relationship between financial development and economic growth in Cote D'Ivoire and Nigeria. It specifically seeks to juxtapose the causal relations between financial development and economic growth in Cote D'Ivoire and Nigeria.

The rest of the paper is divided into four sections. Section 2 reviews the related empirical literature while section 3 presents the methodology employed for the study. Section 4 contains the empirical results, and the final section concludes the study with some policy recommendations.

2. Previous Empirical Studies

In spite of the debate on the relationship between financial development and economic growth, most scholars agreed that financial development has the potential of accelerating economic growth. Levine and Zervos (1998), Beck et al. (2000) and Beck and Levine (2004) documented that financial development has positive and significant impact on economic growth. But as the economic grows and expands, more financial instruments and services would be demanded by economic agents thereby leading to the development of the financial sector. Evidence in this regards have been unearthed by Demetriades and Hussein (1996) and Ang and McKibbin (2007). Also, Adusei (2013) and Chortareas et al. (2015) have revealed the existence of bidirectional causal relationship between financial development and economic growth. Thus, as the financial system mobilize and allocate resources for investment with higher returns and reduces the costs of information, transaction and enforcement, economic growth would be stimulated. As the economy expands, consumers and investors would demand more financial services and institutions that would bring about innovations in the financial system in order to meet the increased demands, and ultimately financial development. Despite this, Kar et al. (2010) and Grassa and Gazdar (2014) still

found evidence to support the absence of any significant relationship between financial development and economic growth.

In Cote D’Ivoire and Nigeria, empirical evidence on the relationship between financial development and economic growth are scanty with mixed and inconclusive results. For instance, Gries et al. (2009) used Granger Causality analysis to examine the causal relationship between financial development and economic growth in 16 African countries including Cote D’Ivoire and Nigeria. While their study revealed a bidirectional relationship between financial development and economic growth in Nigeria, it found no causal relations between financial development and economic growth in Cote D’Ivoire. Also, Menyah et al (2014) used panel causality to examine the causal relations between financial development and economic growth in 21 countries in Sub-Sahara Africa (Cote D’Ivoire and Nigeria inclusive), and they found absence of any causality running from financial development to economic growth in Cote D’Ivoire and Nigeria.

3. Methodology

The study examines the cointegration and causal relationship between financial development and economic growth in Cote D’Ivoire and Nigeria using the Johansen cointegration and the Error Correction Model (ECM) procedure. The data covering the sample period of 1980-2014 are sourced from the World Development Indicators of the World Bank.

Following the standard model in the literature (Levine and Zervos, 1998; Levine et al., 2000; Christopoulos and Tsionas, 2004), we estimate ECM with the following two main equations on economic growth and financial development:

$$\Delta Y_t = \alpha_0 + \sum_{i=1}^m \alpha_1 \Delta Y_{t-i} + \sum_{j=0}^n \alpha_2 \Delta FDE_{t-j} + \sum_{k=0}^o \alpha_3 \Delta GOV_{t-k} + \sum_{l=0}^p \alpha_4 \Delta INF_{t-l} + \varpi ECT_{t-1} + \mu_t \quad (1)$$

$$\Delta FDE_t = \beta_0 + \sum_{i=1}^m \beta_1 \Delta Y_{t-i} + \sum_{j=0}^n \beta_2 \Delta FDE_{t-j} + \sum_{k=0}^o \beta_3 \Delta GOV_{t-k} + \sum_{l=0}^p \beta_4 \Delta INF_{t-l} + \lambda ECT_{t-1} + \mu_t \quad (2)$$

where Y = economic growth proxy by real GDP per capita; FDE = financial development proxy by domestic credit to private sector as a ratio of GDP; GOV = government consumption expenditure as a ratio of GDP, INF = inflation rates. All variables are in natural logarithm.

4. Empirical Results

Before estimating the model, the study conducted unit root test to ascertain the stationarity of the data using both the Augmented Dickey Fuller (ADF) and the Philips-Perron (PP) tests. The results presented in Table 1 reveal that all variables are stationary at first difference in both countries except inflation rates that is stationary at level at 5 percent significance level.

Table 1: Unit Root Test Results

Variables	Augmented Dickey Fuller (ADF)		Philip-Perron (PP)	
	Level [I(0)]	1st Difference [I(1)]	Level [I(0)]	1st Difference [I(1)]
Cote D’Ivoire				
Y	-2.932	-3.092**	-2.811	-3.092**
FDE	-1.421	-4.629***	-1.421	-4.684***

GOV	-2.458	-5.899***	-2.430	-8.089***
INF	-3.909***	-4.642***	-4.256***	-7.979***
Nigeria				
Y	-0.078	-4.743***	-0.348	-4.739***
FDE	-2.594	-5.107***	-2.431	-8.749***
GOV	-3.226**	-38.177***	-22.320***	-41.039***
INF	-3.202**	-5.992***	-3.108**	-12.875***

Notes: *** and ** indicate statistically significant at 1% and 5% levels respectively

Since most of the variables are integrated at order one, the Johansen cointegration test can be applied to ascertain the existence of cointegration relationship between financial development and economic growth. The results presented in Table 2 indicate the presence of cointegration relationship between financial development and economic growth in Cote D’Ivoire and Nigeria. Both the Trace and Max-Eigen statistics identify the existence of cointegrating vectors. This implies that financial development and economic growth have long-run relationship in both countries.

Table 2: Johansen Cointegration Test Results

	Cote D’Ivoire				Nigeria			
	Trace Statistic		Max-Eigen Statistic		Trace Statistic		Max-Eigen Statistic	
Hypothesized No. of CE(s)	Statistic	5% Critical Value	Statistic	5% Critical Value	Trace Statistic	5% Critical Value	Statistic	5% Critical Value
None	51.97**	47.85	25.38	27.58	84.68**	47.85	52.29**	27.58
At most 1	26.58	29.79	13.59	21.13	32.38**	29.79	18.72	21.13
At most 2	12.99	15.49	11.11	14.26	13.65	15.49	13.64	14.26
At most 3	1.87	3.84	1.87	3.84	0.006	3.84	0.006	3.84

Notes: ** indicates presence of cointegrating vectors.

The existence of cointegration relationship does not tell the direction of the causality. Therefore, we employ Error Correction Model to examine the Granger causality between financial development and economic growth. The long-run causality is supported by the statistical significance of the coefficient of the lagged error correction term [ECT(-1)]. The results presented in Table 3 reveal a long-run unidirectional causality from financial development to economic growth in Cote D’Ivoire and a long-run unidirectional causality from economic growth to financial development in Nigeria. This result supports the supply-leading hypothesis in Cote D’Ivoire whereas the demand-following hypothesis is supported in Nigeria.

Table 3: Granger Causality Tests Results

Dependent Variable	Causal Flow	Cote D’Ivoire			Nigeria		
		F-Stat	ECT t-Stat	R ²	F-Stat	ECT t-Stat	R ²
Y	FDE → Y	1.370 (0.504)	-0.243 [-3.987]	0.593	0.363 (0.843)	-0.001 [-0.653]	0.336
FDE	Y → FDE	8.788** (0.012)	0.299 [1.429]	0.389	0.734 (0.693)	-0.011 [-1.708]	0.314

Note: Figures in the parenthesis are probability values, while t-statistics are in squared brackets. Y=economic growth proxy by real GDP per capita; FDE= financial development proxy by domestic credit to private sector as a ratio of GDP.

Furthermore, a short-run causal relation runs from economic growth to financial development in Cote D'Ivoire, whereas there is no evidence of short-run causality between financial development and economic growth in Nigeria. The finding for Nigeria is consistent with the finding of Menyah et al. (2014) that found supply-leading hypothesis but disagrees with Gries et al. (2009) that found evidence to support the demand-following hypothesis. Similarly, the finding for Cote D'Ivoire refutes the finding of Gries et al. (2009) that found no causal relations between financial development and economic growth in Cote D'Ivoire.

5. Conclusion

The study examines the cointegration and causal relationship between financial development and economic growth in Cote D'Ivoire and Nigeria. Evidence from the study reveals the existence of long-run relationship between financial development and economic growth in both countries. It also reveals a long-run unidirectional causality from financial development to economic growth in Cote D'Ivoire and a long-run unidirectional causality from economic growth to financial development in Nigeria. This implies that an increase in financial development would accelerate economic growth in Cote D'Ivoire thereby supporting the supply-leading hypothesis. In the case of Nigeria, an increase in economic growth will increase financial development thereby supporting the demand-following hypothesis. Therefore, we recommend to strengthening the present reforms and policies in the financial sector in Cote D'Ivoire that will further develop the sector and make it more growth-enhancing. As for Nigeria, it may be necessary to re-evaluate the financial sector policies and reforms with a view to repositioning the sector to accelerate economic growth.

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An Islamic-Based Human Development Index with Special Reference to Debt Indicators

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Abstract

The debate on how to measure the development and progress of societies has been discussed by many researchers. Different normative theories have been proposed and many more measures or indices have been devised from both the conventional and the Islamic viewpoint. These range from simple measures such as GDP per capita to the more complex Human Development Index (HDI). Some of these indices measure progress and development through the degree of reduction in income poverty. Some go further and try to measure growth in social opportunities and distribution of those opportunities within low income groups so as to measure inclusiveness of growth. Some go even further and attempt to measure capability deprivation and the extent to which these deprivations can be reduced. Going yet further, some measures are focused on freedom deprivation to gauge the reduction in multidimensional poverty. From an Islamic viewpoint, many scholars have attempted to extend the Human Development Index in the direction of *Maqasid al-shariah*. However, all indices that have been developed by earlier researchers do not take into account the practice of debt. Since debt may have correlation with other variables in the *Maqasid al-shariah*, especially property as well as education and faith elements, this study suggests that the debt variable should be considered in the measurement of HDI.

Keywords: Islamic, Index, Debt.

1. Introduction

The Human Development Index (HDI) is the index used by the United Nations to measure the progress of a country. The HDI is a statistical tool used to measure a country's overall achievement in its social and economic dimensions. The social and economic dimensions of a country are based on the health of people, their level of educational attainment and their standard of living. The HDI was created to emphasise that people and their capabilities should be the ultimate criteria for assessing the development of a country, not economic growth alone (UNDP Human Development Report). The HDI is the geometric mean of normalised indices for each of the three dimensions. The HDI examines three basic dimensions to measure the growth of a country and its achievements in human development. The first of these is the health of the people. This is measured by life expectancy at birth and those with higher life expectancies rank higher than those with lower life expectancies. The second dimension measured in the HDI is the overall knowledge level of a country as measured by the adult literacy rate combined with the gross enrolment ratios of students in primary school through to university level. The third dimension in the HDI is the standard of living. This dimension is measured by the Gross Domestic Product per capita in terms of purchasing power parity, based on US dollars (Hartgen, Klasen and Misselhorn, 2008). Those with a higher standard of living rank higher than those with a lower standard of living. By combining these three dimensions, an overall HDI for a country can be obtained.

2. Criticisms of the Human Development Index

Throughout the time it has been in use, the HDI has been criticised for a number of reasons, both from conventional and Islamic perspectives. From the conventional perspectives, Togtokh (2011) emphasised the importance of including ecological considerations in the HDI. The failure of the HDI to include ecological considerations and focusing only on national performance and ranking, results in developed nations and oil-rich countries being placed highly without regard as to how much their development paths cost the planet and imperil the future development of humanity (Togtokh, 2011). According to the first UN Earth Summit in Rio de Janeiro Brazil in 1992, the three pillars of sustainable development are defined as economic, social, and environmental growth. The revised index should include the per capita carbon emissions of each nation so that the HDI tackles all three dimensions simultaneously. So, the new index should be called a Human Sustainable Development Index (HSDI) (Togtokh, 2011).

The HDI is a composite index of four indicators. Its components reflect the three major dimensions of human development: longevity, knowledge, and access to resources (Noorbakhsh, 1998). The methodology of weighing the three components of the index equally has become the focus of public debate and criticism. Weighing the three components of the index equally suggests a perfect substitution between longevity, knowledge, and living standards and, therefore, implicit trade-offs between the three dimensions (Desai, 1991; Kelly, 1991). As a result, countries ranked very closely together can have significantly different development indices in a given dimension. Moreover, as the absolute value of each component affects the level of the HDI, the maximum and minimum values selected affect the value of the index, resulting in a change in the ranking order (Noorbakhsh, 1998). Most researchers who have proposed modifications to the standard HDI have maintained the additivity of the components in their indices. These include the Modified HDI (Noorbakhsh, 1998) and the Rescaled New HDI (Mazumdar, 2003) that use Euclidean vector distance. Hopkins (1991) stated that there was no *a priori* rationale as to why life expectancy and literacy could even be added together. Tentatively, Desai (1991) suggested a log additive formula to restrict substitutability. On the other hand, Sagar and Najam (1998) proposed a reformed HDI by multiplying component indices instead of averaging them. In this case, simultaneously high values for all three component indices are required to obtain a high value HDI.

Another criticism centres on the choice of dimensions included in the HDI. Political freedom and civil rights are popular dimensions (Boer and Koekkoek, 1993; Desai, 1991 and Hopkins, 1991). Stewart, Ranis, and Samman (2006) suggested that as a multi-dimensional process, the HDI should include development aspects such as peace, security, environmental concerns, cultural freedom, and access to social services. The first human development report (HDR) discussed human freedom and human rights, stating that “human development is incomplete without human freedom,” but also that “while the need for quality judgment is clear, there is no simple quantitative measure available yet to capture the many aspects of human freedom” (HDR, 1990).

There is also the concern of combining stock variables such as adult literacy and flow variables like the combined enrolment ratio in the construction of the HDI. Due to this potential for misuse of data, the HDI thus cannot capture the short-run changes in human development in a country. The measure is also not very sensitive to policy changes and as such may frustrate the policy makers. Ignorance of this problem could lead to an

inappropriate comparison across countries (Hou, Walsh and Zhang, 2015). Hopkins (1991) also criticised the time lags associated with the impact of policy changes on adult literacy and life expectancy and, hence, the HDI only partially measures the outcomes of past efforts and not just the present situation.

The HDI also is criticised because it only looks at the average achievements and, thus does not take into account the distribution of human development within a country (Sagar and Najam, 1998). When constructing distribution-sensitive measures of human development, limited data availability concerning the distribution of human development achievements seriously constrains the analysis. Household income surveys are today widely undertaken and, hence provide data on income distribution, but it is much more difficult to obtain data on inequality for life expectancy, educational achievements and literacy. There is empirical evidence that mortality as well as educational attainment varies with income and wealth in both rich and poor countries (Hartgen, Klasen and Misselhorn, 2008). In the past, several attempts have been made to integrate inequality into the HDI. Hicks (1997) suggested a process to discount each dimensional index by one minus the Gini coefficient for that dimension before the arithmetic mean over all three dimensions is taken. Therefore, a high inequality in one dimension lowers the index value for that dimension, and hence its contribution to the HDI. Although the idea of such a discount factor is rather intuitive, the Gini-corrected HDI has not been widely used. One reason might be that it is conceptually unclear and empirically it is very difficult to calculate a Gini coefficient for life expectancy. Another reason might be that it is not clear how to interpret the interaction between the Gini coefficient and the average achievement in a component and across components (Hartgen, Klasen and Misselhorn, 2008).

The gender-related development index, or GDI, was another attempt in that direction. Its motivation was the emphasis given by the 1995 Human Development Report on gender inequalities. The GDI adjusts the HDI downward by existing gender inequalities in life expectancy, education, and incomes. The GDI calculates each dimension index separately for men and women, and then combines both by taking the harmonic mean, penalising differences in achievement between men and women. The overall GDI is then calculated by combining the three gender-adjusted dimension indices by taking the arithmetic mean.

Hartgen, Klasen and Misselhorn (2008) suggested the generation of a separate HDI for different segments of the income distribution. More precisely, the household income and demographic data are used to compute the indices of the three dimensions for the quintiles of the income distribution. On the one hand, this allows the tracking of the progress in human development separately for “the poor” and the “non-poor,” and from this it is possible to compare the level of human development of the poor to the level of the average population and the level of the non-poor.

From the Islamic perspective, the existing HDI published by UNDP is considered insufficient for measuring human development because the underlying theory and concept to develop the HDI is not based on *Maqasid al-Shariah* (Anto, 2009). *Maqasid al-Shariah* is referred to as the goal or objective to be achieved in an Islamic law. The objective of the *Shariah* is to promote the well-being of the people, which lies in safeguarding their faith (*deen*), their lives (*nafs*), their intellect (*Naqal*), their posterity (*nasl*), and their wealth (*mal*). Whatever ensures the safeguarding of these five aspects serves the public interest and is desirable, and whatever hurts, is against the public interest and its removal is desirable (Tajudeen, 2012). The objective of economic development from the Islamic perspective is to achieve a

comprehensive and holistic welfare both in this world and in the hereafter. Based on this objective, the conventional indicators of economic development are insufficient to measure the level of economic development from an Islamic perspective.

For that reason, Anto (2009) proposed a new model for measuring economic development in Islamic terms which he called the Islamic Human Development Index (I-HDI). The I-HDI is considered within the framework of the *Maqasid al-Shariah*, which is basically concerned with the promotion of human wellbeing and relief from hardship through the preservation of self, wealth, posterity, intellect and faith. The fulfilment of these five basic needs will be the condition for achieving welfare and happy living in the world and the hereafter which is called *falah*. I-HDI proposed by Anto (2009) is a composite index of several indicators derived from basic needs within the framework of *Maqasid al-Shariah* combining both quantitative variables and variables expressing perceptions. These dimensions measure both performances of material welfare as well as non-material welfare. Material welfare relates to the performance in fulfilment of property needs. The Islamic system would prefer a relatively lower level of property ownership with a better distribution of income/wealth (Rafi Amir-Ud-Din, 2014). Non-material welfare relates to all things that are not directly related to material aspects but fundamental for achieving *maslahah* (faith, human self, intellect, posterity). The longer the life, the better, as a longer life could be assumed to be a wider opportunity for doing many good things that benefit the achievement of *maslahah*. Knowledge and science have a pivotal role for development, so that all of the members of society should deserve to receive education. The development process will be more efficient and effective if the family and social relationships among society members are in harmony. Family also plays an important role in building the next generation which is important for sustaining development, and finally, the role of religiosity within society is beyond debate from the Islamic perspective.

Another criticism relates to the methods of measurement where the HDI emphasises on the material aspect of the development with complete disregard for the dimensions which are crucial for the world in the hereafter. The existing development indices do not completely conform to the normative judgments of Islam. This highlights the need for an index which accommodates the dimensions which are consistent with *Maqasid al-Shariah* (Rafi Amir-Ud-Din, 2014). The important feature of the Islamic concept of development is that it considers development as a multidimensional activity and seeks to establish a balance between different factors and forces. The approach of neoclassical economics is considered to be mistaken in taking an isolated view of economic activity by excluding many dimensions of real life (Zaman and Asutay, 2009). The “Islamic concept of development is comprehensive in character and includes moral, spiritual and material dimensions. Development becomes a goal and a value-oriented activity, devoted to the optimization of human well-being in all these areas” (Ahmad, 2013). HDI only measures human abilities and performance based on the physical aspects such as health, educational level and lifestyle. It does not take into account the actual function of man founded on the Islamic based development worldview, that is, man as a servant and *khalifah* of Allah SWT that can be measured by the spiritual aspects, such as faith and piety (Hanapi and Sariff, 2014).

3. The Conceptual Framework of Human development from an Islamic Perspective

The Islamic approach to development The Islamic approach to development rests on a set of well-defined philosophical principles (Ahmad, 2013). Basically, there are four principles and all of them are interrelated. The first principle is *Tawhid*, which posits the unity and

sovereignty of Allah and helps define the nature of the relationship between man and his Lord as well as the relationship between man and man. The principle of *Tawhid* entails that there is a unity of purpose in the design of this universe, and any dichotomy is at best a state away from the equilibrium which will be removed over time. In the world hereafter, the angularities in both the human relationships as well as the other dimensions of the universe will be physically removed: “Nothing crooked or curved wilt thou see in their place” (Qur’ān, 20: 107).

The second principle is *Rabubiyya*. The *Rabubiyya* principle entails that human beings as well as other creatures are governed by a Power who is Benevolent, Compassionate and Merciful. This principle assures human beings that the resources essential for a good life in this world exist and they do not have to conduct their life in a mad pursuit of the necessities of life. Such philosophical constructs as fatalism and determinism stand opposite to the *Rabubiyyah* principle because the former ’isms see man as a puppet in the hands of forces which are indifferent to his plight and man is totally helpless against these forces (Ahmad, 2013).

The third is *Khilafah*. The *Khilafah* principle provides that human beings are responsible for their deeds and actions, and this principle refutes all such ’isms which take a non-serious or hedonist view of life. The fourth principle is *Tazkiyyah* which means purification and growth. The Islamic concept of development directly follows from this principle because “it addresses itself to the problem of human development in all its dimensions: development is concerned with growth towards perfection through purification of attitudes and relationships. The result of *tazkiyah* is *falah* – prosperity in this world and the hereafter” (Ahmad, 2013:).

In addition to the four principles as discussed above, Chapra (2007) includes another principle, *Adalah* (justice) that provides for the satisfaction of the needs of everyone, and ensures equitable distribution of income and wealth and environmental protection. At a more abstract level, Islam considers development in terms of a journey along the *sirat* (path), suggesting that Islam has a dynamic concept of development which requires continuous struggle on the part of Muslims. Those who are successful on this journey are referred to as *muflihun* (successful ones) or *muhsinun* (achievers of perfection) (Zaman and Asutay, 2009).

Unlike the secular market paradigm, human well-being in Islam does not depend essentially on the maximisation of wealth and consumption. It requires a balanced satisfaction of both material and spiritual needs of the human personality. The spiritual need is not satisfied only by the five pillars of Islam, it requires individuals to shape their behaviour in accordance with the *Shariah* (Islamic teachings), which is designed to enable the realisation of *Maqasid al-Shariah*, namely socio-economic justice and the well-being of all God’s creatures. Neglecting the spiritual or physical needs impedes the realisation of true well-being and exacerbates the symptoms of anomie, such as frustration, crime, alcoholism, drug addiction, divorce, mental illness and suicide, revealing a lack of inner life satisfaction of individuals.

The extrapolation of the texts of the Qur’ān and the *Sunna* and the legal provisions of worship and transactions, show that human development is a legitimate target which must be established in the nation by their various practices. Human development is known as an economic, social, cultural and political process for continuous improvement of the welfare of all individuals on the basis of their active and meaningful participation in development and equitable sharing of the wealth generated. It is based on the satisfaction of basic human needs on an ongoing basis to ensure safety and social stability (Medhi, 2014). In the Qur’ān this

concept results in reconstruction and reform on the ground. *Al araaaf:56* “Do no mischief on the earth, after it has been set in order, but call on Him with fear and longing (in your hearts): for the Mercy of Allah is (always) near to those who do good”.

Salleh (2013) developed a new philosophical foundation of the Islamic approach to development that contained seven foundations. They consist of the mould, actors, time-scale, framework, methods, means and ultimate aim. The mould of Islamic development is the Islamic worldview (*tasawwur*), while the actors of Islamic development are human beings, the time-scale covers the three worlds of pre-birth, the present and the Hereafter, the framework is the Islamic obligatory knowledge, the methodology is the worship (*ibadah*) of God, the means are the natural resources, and the ultimate aim is the pleasure of God (*mardatillah*).

4. Suggestion and Conclusion

The debate on how to measure development and progress of societies has been joined by many researchers. Different normative theories have been proposed and many more measures or indices have been devised from both the conventional and the Islamic viewpoints. These range from simple measures such as the GDP per capita to more complex forms of the Human Development Index. Some of these indices measure progress and development through the degree of reduction in income poverty. Some go further and try to measure growth in terms of social opportunities and the distribution of those opportunities within low income groups so as to measure inclusiveness of growth. Some go even further and attempt to measure deprivation of capabilities and the extent to which these deprivations can be reduced. Going yet even further, some have focused on freedom deprivation to measure the reduction in multidimensional poverty.

From the Islamic viewpoint, many scholars, for example Dar (2004), Anto (2009), Rehman and Askari (2010), Medhi (2014), Salman and Hamid (2014), have attempted to extend the Human Development Index in the direction of *Maqasid al-Shariah*. Dar (2004) developed the Ethics-Augmented Human Development Index (HDI-E). He integrated for the first time an explicitly ethical dimension through the incorporation of faith, freedom and the family values aspect in the Human Development Index. Anto (2009) suggested that human development from the Islamic perspective must be based on *Maqasid al-Shariah* and subsequently created an index of human development based on the principles of Islam. He improved his index by including the right to freedom and the protection of the environment. Rehman and Askari (2010) measured the degree of religiosity of Islamic countries to reflect the correlation between Islam and economic performance, the standard of living and development in general. Medhi (2014) showed the impact of the objectives of *Maqasid al-Shariah* on human development.

However, all indices that have been developed by the earlier researchers do not take into account the practice of debt. In the property dimension, for example, all the researchers measured the ownership of property based on income. In fact, even if the income earnings are high, but with high debt then high income does not put a person at a higher level of satisfaction. Conversely, even if income earnings are low but the person has no debt, there is a possibility of people with a lower income to reach a higher level of satisfaction. So, the quality of life of a person cannot be measured by income alone without taking other things into account, for example debt. Debts that are not managed properly will provide only

temporary satisfaction and will bring punishment in the hereafter. The following are a few hadith that discuss the matter. For example, the hadith narrated by Muslim, 6/38: “Forgiven are all sins for those who die a martyr’s death unless he has a debt (to humans)”.

Another hadith narrated by Al-Bukhari 1/24: The Prophet SAW taught his followers to pray regularly to be discharged from debts.

“Oh Allah, I seek refuge in you from sin and debt”. Then someone asked: “Why do you often seek protection from debt?” The Prophet said: “If a person owes a debt, when he speaks, he lies; when he promises, he reneges”.

Another hadith narrated by An-Nasaie, 2/316:

“Oh Allah, I seek refuge from sin and debt”. Someone asked: “Are you equating atheism with debt, O Messenger of Allah?” The Prophet replied: “True”.

From a legal standpoint, debt is permissible (*harus*). However, this status can change according to the scenario. It may be necessary (*wajib*) when the debtor intends to meet his basic needs (*dharuri*). It may be forbidden (*haram*) if the debtor intends to show off or to do things forbidden by Islam. Another aspect that should be considered is the method of borrowing. If a person wants to borrow, he must ensure that the method of borrowing must be permitted by Islam, namely either *Qard al Hasan* (interest free loan) or through an Islamic financing facility based on a valid purchase offered by Islamic financial institutions. Based on the discussions above, the debt variable may have correlation with other variables in the *Maqasid al-Shariah*, especially the property, education and faith elements. So the debt variable should be considered when measuring HDI from the Islamic perspective.

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Foreign Direct Investment Led Sustainable Development in Malaysia: An Application of The Autoregressive Distributed Lag Model

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Abstract

Recent World Investment Report (2012) by United Nations Conference on Trade and Development (UNCTAD) has introduced a new generation of investment policies called as Investment Policy for Sustainable Development (IPFSD). In this report, the role of foreign direct investment (FDI) as a driver of sustainable development is highlighted where its focus not only on promoting growth but also achieving better income distribution as well as improving environmental quality. In this paper, three different econometric models which consist of a model of growth, a model of income distribution and model of pollution havens are introduced to re-examine the impact of FDI on this three pillar of sustainable development in Malaysia. Using ARDL estimation, the data used is based on annual data covering the period from 1970 to 2013. The findings of the calculated long run elasticities indicated that FDI inflow has successfully led towards higher growth, better income distribution and lower pollution level in Malaysia. With the rising of competition around the world, there is a need for a policymaker to revise the existing policy by focusing more on ways to sustain or attracting more FDI inflow into the country to prolong sustainable development.

Keywords: Sustainable Development, Foreign Direct Investment, Bound Test, Malaysia

1. Introduction

As one of the developing countries in the Asian region, Malaysia has recorded encouraging economic growth rates subsequently since earlier 1990s. High growth rate of Malaysia economy was driven by the long-term goal known as Vision 2020, introduced by the former prime minister, Tun Dr. Mahathir Mohamad in early 1990s. The primary objectives of Vision 2020 are to transform the country into a developed nation with equitable income distribution among it races. However, emphasizing on growth alone is not enough as the country should aim for a greater mission which is achieving sustainable development (SD) as critically addressed by the United Nations. To achieved these tasks, FDI is seen as one of the key elements to promote SD that encompassed three most important part known as growth, income distribution, and pollution. The upward trend of FDI inflow and GDP per capita in Malaysia can be viewed in Diagram 1 below. The fall in FDI accompanied the recession in 1985. The 1997 financial crisis and its post-year coincided with the lower FDI inflows for Malaysia and it is observed that growth levels had dropped especially for 1998. Malaysia FDI achieved it highest in 2011 amounted about USD 8538.46 million followed by highest GDP

per capita in the year 2013 (USD 8211.50). The higher flow of FDI in Malaysia was also due to the successful of ASEAN (Association of South East Asian Nation) regional plan such as ASEAN Free Trade Area and ASEAN Investment Area to transform ASEAN region as a hub of investment.

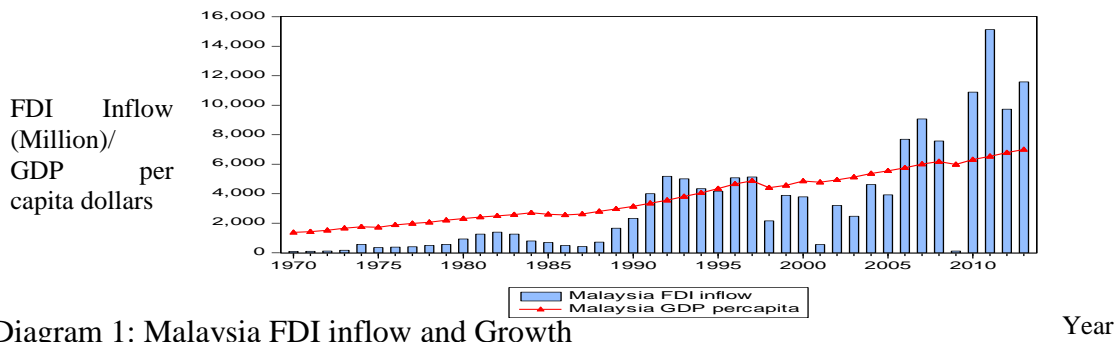


Diagram 1: Malaysia FDI inflow and Growth

Year

Given a rising trend of FDI inflow in 44 years of observations, it is wise to test how far this FDI inflow will lead towards SD in Malaysia. To the best of writer’s knowledge so far, no study was ever conducted to find the evidence of FDI led sustainable development for the case of Malaysia. FDI was treated as one of the independent variables in three different econometric models which consist of a model of growth (GDP), a model of income distribution (GINI) and model of pollution havens (CO₂). The Ardl-bound testing approach is used to test these models. The rest of the paper is structured as follows. Section 2 presents empirical studies. Section 3 describes the model; the techniques involve in analysis as well as the sources of data while section 4 focuses on empirical analysis of the result. Section 5 concludes the paper.

2. Literature Review

Recent studies on the relationship between growth and FDI has shown mix findings. Anwar and Sun (2011) is among researcher who finds that FDI has a significant positive effect on Malaysia economic growth. In contrast to the studies that find a positive correlation between FDI and economic growth, other find a non-significant or negative effects. However, the impact varies from country to country, Bende-Nabende et al. (2001). For example, Bende-Nabende and Ford (1998) find that the output of less developed countries responds more positively to FDI. Blomstrom et al. (1994) find that FDI has a positive impact on growth in rich countries. Few studies have proven that FDI can contribute to growth through capital formation and technology transfer (Blomström et al. 1996) along with the accumulation of knowledge due to labor training and skill acquisition (De Mello, 1999). Next, based on the relation between income distribution and FDI, Feenstra and Hanson (1997)’s argue that FDI inflows into developing nations cause higher wages for skilled than unskilled workers, resulting in widening income inequalities. On the other hand, FDI inflows might improve income inequality. The reason is that multinational companies (MNCs) provide developing nations with capital and technology, enhance their corporate governance, and propagate better management practices. These forces, in turn, raise productivity and promote economic growth (Markusen and Venables, 1999). Meanwhile, Sylwester (2005) found no evidence that FDI increased income inequality within a group of LDCs including Malaysia. Based on the impact of FDI on pollution level, Eskeland and Harrison (1997) who focus on the environmental policy found out that there is no significant correlation between environmental regulations in industrialized countries and the foreign investment in developing countries. Also, Xing and Kolstad (2002) find out that those developing countries tend to utilize lax

environmental regulations as a strategy to attract dirty industries from developed countries. Recent studies by Shahbaz et al. (2013) and Lau et al. (2014) on the other hand found a positive relationship between FDI and CO2 emissions in Malaysia by using ARDL estimation. The current studies are different from the previous studies as described above since the role of FDI is evaluated based on the three pillar of SD which added to the body of knowledge in this area of studies.

3. Methodology

In this section, the construction of the three econometric models based on the component of SD is displayed in Table 1 below.

Table 1: Construction of the models

Model	Construction of the model
Model of growth	$\text{LNGDP} = \beta_0 + \beta_1 \text{LNCAP}_t + \beta_2 \text{LNLAB}_t + \epsilon_t \text{ ---(1)}$ <p>The derivation of the model from equation 1 was based on the reference of simple production function in the logarithm linear form (LN). CAP (gross fixed capital formation constant 2005) and LAB (total labor force) are introduced in the model to control for the additional determinant of growth, GDP (real gross domestic product per capita constant 2005) to reduce the problem of omitted variable bias.</p> $\text{LNGDP} = \beta_0 + \beta_1 \text{LNCAP}_t + \beta_2 \text{LNLAB}_t + \beta_3 \text{LNHC}_t + \beta_4 \text{LNFDI}_t + \beta_5 \text{LNTO}_t + \epsilon_t \text{ ---(2)}$ <p>To strengthen the empirical results, HC (human capital development using expenditure education index on labor force as a proxy) was added into equation two because this measure is most significantly correlated with economic growth. FDI (foreign direct investment inflow percentage of GDP) was added as recommended by Sahoo and Mathiyayazhagan (2003). Lastly trade openness (TO) proxy by trade share of GDP which also crucial for acquiring the potential growth impact of FDI is added as suggested by Balasubramanyam et.al, (1996).</p> <p>$\beta_1, \beta_2, \beta_3, \beta_4,$ and β_5 are expected to have a positive relationship with the country's GDP.</p>
Model of income distribution	$\text{LNGINI} = \beta_0 + \beta_1 \text{LNGDP}_t + \beta_2 \text{LNFDI}_t + \beta_3 \text{LNGDI}_t + \epsilon_t \text{ ---(1)}$ <p>Equation 1 is a modified version (logarithm linear form) from the theoretical framework suggested by Tsai (1995).</p> $\text{LNGINI} = \beta_0 + \beta_1 \text{LNGDP}_t + \beta_2 \text{LNFDI}_t + \beta_3 \text{LNGDI}_t + \beta_4 \text{LNTO}_t + \beta_5 \text{LNFD}_t + \beta_6 \text{LNPOP}_t + \epsilon_t \text{ --(2)}$ <p>Equation 1 is extended with the inclusion of three other variables; GDI, TO, and POP. Gross domestic investment (GDI) measured as gross fixed capital formation as a percentage of GDP was employed following previous studies were done by Mah (2003). The impact of FDI on income distribution might vary. For example, Mundell hypothesis stated that the increase in FDI inflows will reduce income inequality in developing countries such as Malaysia. This is due to a higher movement of capital from other countries can lead to higher wages to the local worker. Meanwhile, for the case of Malaysia as a abundance labor country, TO is expected to have a negative relationship with GINI as a result of trade liberalization. Next, the inclusion of financial development (FD) based on money supply (M2) over GDP is another important factor that affects income inequality. According to Greenwood and Jovanovich (1990), FD initially increases income inequality but declines income inequality once the financial sector matures. Also, POP (population growth %) is also included as a control variable in the model. β_1 and β_6 are expected to have a positive relationship with GINI. In summary, previous findings showed a mix expected sign; either positive or negative for $\beta_2, \beta_3, \beta_4,$ and β_5.</p>
Model of pollution havens	$\text{LNCO}_2 = \beta_0 + \beta_1 \text{LNGDP}_t + \beta_2 \text{LNFDI}_t + \beta_3 \text{LNTO}_t + \epsilon_t \text{ ---(1)}$ <p>Equation 1 above is proposed based on model introduced by Lee (2013) in a logarithm form.</p> $\text{LNCO}_2 = \beta_0 + \beta_1 \text{LNGDP}_t + \beta_2 \text{LNFDI}_t + \beta_3 \text{LNTO}_t + \beta_4 \text{LNENY}_t + \beta_5 \text{LNGDI}_t + \epsilon_t \text{ ---(2)}$ <p>The real GDP per capita, β_1 is expected to have a positive relationship with the level of CO2 emissions because, in the first period of development, a positive sign is expected when emissions metric ton per capita would increase with income, Cole (2004). The impact of FDI, β_2 is expected to have a mix impact (positive or negative) on carbon emissions. For example, FDI may have a negative effect on CO2 emission when this FDI facilitate the adoption of modern technologies in the production process and ensure best environmental practices leading to energy efficiency, better knowledge transfers, labor training, skill acquisition, introducing alternative management practices etc. (Prakash and Potoski, 2007). Besides FDI, TO also may deteriorate or improve environmental</p>

quality, Antwieler et al. (2001). For example, an increase in trade openness will increase the import of the environmental friendly and more efficient technologies. Other potential determinants such as ENY (per capita energy consumption, kg of oil equivalent) were added in equation 2 following Ang (2008). Since a higher level of energy consumption leads to greater economic activity and stimulate CO2 emissions, β_4 is expected to have a positive sign. GDI is added in the model to test its correlation with GDP besides FDI. In summary, β_1 and β_4 are expected to have a positive relationship while β_5 is expected to have a negative relationship with GDP. Meanwhile, the influence of β_2 and β_3 might mix,

In time series analysis, the variables must be tested for stationarity using the conventional ADF tests, the Phillips–Perron (PP) test. The ARDL bounds test is based on the assumption that the variables are I(0) or I(1), and the variables are not I(2) to avoid spurious results. Next, to empirically analyze the long-run relationships and short-run dynamic interactions among the variables of interest, ARDL cointegration technique was applied as a general vector autoregressive model. The ARDL cointegration approach was developed by Pesaran et al. (2001). The bounds test is mainly based on the joint F-statistic whose asymptotic distribution is non-standard under the null hypothesis of no cointegration. The null hypothesis of no cointegration is rejected when the value of the test statistic exceeds the upper critical bounds value while it is not rejected if the F-statistic is lower than the lower bounds value. Otherwise, the cointegration test is inconclusive.

Sources of data

The main sources of data were collected from World Development Indicator (2015) published by World Bank. The sample data used is annual data starting from 1970 up to 2013 comprising 44 years. The GINI coefficient data is taken from University of Texas Income Inequality Project. All variables were transformed into log-linear form to translate the result into long run elasticities. The estimation was run by using the E-views version 9.

4. Empirical testing

The analysis began with testing the unit root for all variables in three different model constructed in this paper. Table 2 shows a confirmation of a mix of stationary at I(0) and I(1) for the variables used in each model thus fulfilling the criteria to proceed the analysis with ARDL technique.

Table 2: Testing Unit Root

Model	Variable	ADF test statistic		PP test statistic		
		Intercept	Trend and intercept	Intercept	Trend and intercept	
Model of Level Growth	LNGDP	-1.52 (0)	-1.99 (0)	-1.48 (1)	-2.08 (2)	
	LNCAP	-1.72 (1)	-3.05 (1)	-1.99 (1)	-2.45 (0)	
	LNLAB	-1.27 (0)	-1.60 (0)	-1.27 (1)	-1.64 (1)	
	LNHC	-1.44 (0)	-4.51 (1)***	-1.62 (9)	-2.44 (7)	
	LNFDI	-2.84 (8)*	-5.54 (0)***	-5.58 (1)***	-5.54 (1)***	
	LNT0	-0.89 (0)	-0.89 (0)	-0.89 (2)	-0.86 (0)	
	First difference	LNGDP	-5.61 (0)***	-5.77 (0)***	-5.62 (1)***	-5.77 (0)***
		LNCAP	-4.19 (0)***	-4.21 (0)***	-4.04 (4)***	-4.05 (4)**
		LNLAB	-6.42 (0)***	-6.40 (0)***	-6.42 (1)***	-6.40 (2)***
		LNHC	-5.87 (1)***	-5.95 (1)***	-5.78 (3)***	-5.99 (4)***
		LNFDI	-2.84 (9)*	-2.64 (9)	-25.10 (24)***	-24.83 (25)***
		LNT0	-5.70 (0)***	-5.75 (0)***	-5.67 (2)***	-5.72 (3)***
Model of Level Income Distribution	LNGINI	-5.99 (0)***	5.91 (0)***	-6.04 (2)***	-5.98 (2)***	
	LNGDP	-1.52 (0)	-1.99 (0)	-1.48 (1)	-2.08 (2)	
	LNFDI	-2.84 (8)*	-5.54 (0)***	-5.58 (1)***	-5.54 (1)***	
	LNGDI	-2.48 (1)	-2.50 (1)	-2.40 (2)	-2.37 (1)	
	LNT0	-0.89 (0)	-0.89 (0)	-0.89 (2)	-0.86 (0)	

		LNFD	-2.54 (0)	-2.90 (0)	-2.74 (5)**	-2.81 (3)
		LNPOP	0.03 (3)	-1.36 (3)	0.38 (4)	-0.84 (4)
	First difference	LNGINI	-7.11 (2)***	-7.55 (2)***	-22.97 (41)***	-36.14 (20)***
		LNGDP	-5.61 (0)***	-5.77 (0)***	-5.62 (1)***	-5.77 (0)***
		LNFDI	-2.84 (9)*	-2.64 (9)	-25.10 (24)***	-24.83 (25)***
		LNGDI	-4.71 (0)***	-4.64 (0)***	-4.65 (3)***	-4.58 (3)***
		LNTO	-5.70 (0)***	-5.75 (0)***	-5.67 (2)***	-5.72 (3)***
		LNFD	-5.92 (1)***	-6.11(1)***	-6.44 (4)***	-7.00 (6)***
		LNPOP	-1.54 (2)	-2.50 (2)	-1.97 (3)	-2.30 (3)
Model of Level		LNCO2	-0.74 (0)	-2.42 (0)	-0.71 (2)	-2.44 (2)
Pollution		LNGDP	-1.52 (0)	-1.99 (0)	-1.48 (1)	-2.08 (2)
Havens		LNFDI	-2.84 (8)*	-5.54 (0)***	-5.58 (1)***	-5.54 (1)***
		LNTO	-0.89 (0)	-0.89 (0)	-0.89 (2)	-0.86 (0)
		LNENY	-1.03 (0)	-2.12 (0)	-1.54 (11)	-2.19 (1)
		LNGDI	-2.48 (1)	-2.50 (1)	-2.40 (2)	-2.37 (1)
	First difference	LNCO2	-7.68 (0)***	-7.58 (0)***	-7.68 (0)***	-7.58 (0)***
		LNGDP	-5.61 (0)***	-5.77 (0)***	-5.62 (1)***	-5.77 (0)***
		LNFDI	-2.84 (9)*	-2.64 (9)	-25.10 (24)***	-24.83 (25)***
		LNTO	-5.70 (0)***	-5.75 (0)***	-5.67 (2)***	-5.72 (3)***
		LNENY	-6.63 (0)***	-6.71 (0)***	-6.97 (7)***	-9.63 (14)***
		LNGDI	-4.71 (0)***	-4.64 (0)***	-4.65 (3)***	-4.58 (3)***

Note: 1. ***, ** and * are 1%, 5% and 10% of significant levels, respectively. 2. The optimal lag length is selected automatically using the Schwarz information criteria for ADF test, and the bandwidth had been selected by using the Newey–West method for the PP test.

Table 3 shows the result of ARDL cointegration. The maximum lag of 4 was imposed in each model using Schwarz Bayesian criterion (SIC). Model of growth and pollution haven followed the second set of critical value table given that the number of variables, k is equivalent to 5 while the model of income distribution follow critical value where k is equivalent to 6. The F-stat for each model (3.56, 3.42 and 8.77) is higher than the upper I(1) critical value table (for k =6 and 5) and significant at 1 percent level thus confirming the existing of long run relationship.

Table 3: Result of ARDL cointegration

Model	Maximum lag	Lag order	F Statistic
Model of Growth	4	(1,2,2,0,0,2)	3.56*
Model of Income distribution	4	(4,0,1,4,0,0,0)	3.42*
Model of Pollution Havens	4	(1,4,3,4,4,3)	8.77***
		k = 6	k = 5
	Critical Values for F-statistics [#]	Lower I(0)	Upper I(1)
	1%	3.15	4.43
	5%	2.45	3.61
	10%	2.12	3.23
		Lower I(0)	Upper I(1)
		3.41	4.68
		2.62	3.79
		2.26	3.35

Note: # The critical values are based on Narayan (2004) case III: unrestricted intercept and no trend., k is a number of variables; *, **, and *** represent 10%, 5% and 1% level of significance, respectively. k =5 for a model of income distribution and model of pollution while k =6 for a model for pollution.

The result from Table 4 confirms that all the models passed all diagnostic checking which renders the long term estimates of these models to be reliable. In summary, the models have no evidence of serial correlation and heteroscedasticity effect in disturbances. Besides, those models also passed the Jarque-Bera normality test which suggests that the errors are normally distributed, and all the model’s specification are well specified.

Table 4: Result of Diagnostic Checking

Model	Serial correlation	Functional form	Normality	Heteroscedasticity
Model of Growth	0.01 [0.90]	0.63 [0.43]	3.24 [0.19]	1.81 [0.17]
Model of Income distribution	2.09 [0.14]	0.07 [0.79]	0.96 [0.61]	1.22 [0.31]

Model of Pollution Haven	2.63 [0.12]	1.73 [0.23]	2.64 [0.26]	0.68 [0.78]
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Note. S signifies stable model. The numbers in brackets [] are p-values.

Table 5 below shows the long run elasticities for each model tested in this study. Based on the model of growth, CAP, HC, FDI and TO are positive and significantly (1 and 10 % significant level) influence the growth of Malaysia economy. TO and FDI are considered as important openness strategies in promoting economic growth especially for developing country like Malaysia. The magnitude of 0.021 and 0.520 implies that a 1 percent increase in FDI and TO increases the economic growth of Malaysia by around 0.02 percent and 0.52 percent, respectively. Next, based on the model of income distribution, it's confirmed that FDI, GDI and TO improve the income distribution (GINI) in the country while GDP and POP worsen the income distribution. The finding of a negative relationship between FDI and GINI in Malaysia was in line with the study done by Choi (2004) while the finding of negative sign of TO is tally with the empirically tested models from Reuveny and Li (2003). The justification on this estimation is that trade openness should reduce the wage gap between skilled and unskilled labor. Therefore, it should become a source of reducing income inequality (Mundel, 1957). Based on the model of pollution haven, all variables are found to be significantly (1 % level) influence the pollution (CO2) in the country. Higher FDI inflow and GDP are found to reduce the CO2 level. The negative sign for GDP suggests that there is an inverted-U-shaped relationship between income and environmental quality in which environmental quality worsens at low levels of income, and then improves as income increases. This finding is consistent with the finding from Jalil and Mahmud (2009). In addition, the finding of FDI inflow lead to an improvement in environmental quality in Malaysia is also consistent with the study was done by Merican et al. (2007). Lastly, the rise of TO, ENY, GDI and POP increase the pollution level in the country.

Table 5: Estimation of Long-Run Elasticities

Model of Growth LNGDP ARDL (1,2,2,0,0,2)		Model of Income Distribution LNGINI ARDL (4,0,1,4,0,0,0)		Model of Pollution Haven LNCO2 ARDL (1,4,3,4,4,3)	
Variables	Coefficient	Variables	Coefficient	Variables	Coefficient
Constant	0.11	Constant	7.091***	Constant	-4.805***
LNCAP	0.233***	LNGDP	0.461***	LNGDP	-0.836***
LNLAB	0.002	LNFDI	-0.037***	LNFDI	-0.127***
LNHC	0.309***	LNGDI	-0.282***	LNTO	0.748***
LNFDI	0.021*	LNTO	-0.415***	LNENY	1.235***
LNTO	0.520***	LNFD	0.027	LNGDI	0.092***
		LNPOP	0.357***		

Note: (*),(**),(***) indicate significant at 10%,5% and 1% significance level respectively.

Lastly, Table 6 below reveals the outcome for short-run elasticities. Based on lag 0 (a gray area) for a model of growth, TO does not influence growth while another variable significantly has a positive relationship with growth except for LAB. As for model of income distribution, FDI and TO significantly improve income inequality while rising in GDP and POP significantly worsen the income distribution. For a model of pollution haven, GDP and ENY have a positive influence on pollution while other variables such as FDI, TO, and GDI able to improve the environmental quality (pollution) in Malaysia. The long run relationship was supported by the negative and significant value of error correction term (ECT) for each model. ECT reflects the speed of adjustment for each model, and the negative value means that the variables in each variable will converge in the long run. The highest speed of adjustment is detected for a model of pollution haven (-1.55), followed by a model of income distribution (-0.67) and model of growth (-0.29). Approximately, 155 percent, 67 percent and 29 percent disequilibria from the previous year's shock converge back to the long run

equilibrium in the current year. Overall, the R-square for all three models suggests that almost 99 percent, 73 percent and 98 percent of the variables in equations for Malaysia explain the dependent variable (GDP, GINI, and CO2).

Table 6: Estimation of Short Run Restricted Error Correction Model (ECM)

Model of Growth		Model of Income Distribution		Model of Pollution Haven	
Variables	Coefficient	Variables	Coefficient	Variables	Coefficient
D(LNCAP)	0.31***	D(LNGINI(-1))	-0.649**	D(LNGDP)	3.792***
D(LNCAP(-1))	-0.08***	D(LNGINI(-2))	-0.781***	D(LNGDP(-1))	-0.223
D(LNLAB)	-0.007***	D(LNGINI(-3))	-0.599***	D(LNGDP(-2))	0.863
D(LNLAB(-1))	-0.005*	D(LNGDP)	0.298**	D(LNGDP(-3))	2.304***
D(LNHC)	0.09**	D(LNFDI)	-0.039***	D(LNFDI)	-0.088***
D(LNFDI)	0.006**	D(LNGDI)	0.018	D(LNFDI(-1))	-0.087***
D(LNTO)	0.068	D(LNGDI(-1))	-0.134	D(LNFDI(-2))	0.119***
D(LNTO(-1))	-0.16***	D(LNGDI(-2))	0.071***	D(LNTO)	-0.757**
ECT(-1)	-0.29***	D(LNGDI(-3))	-0.330***	D(LNTO(-1))	1.227***
		D(LNTO)	-0.279**	D(LNTO(-2))	-2.191***
		D(LNFD)	0.240	D(LNTO(-3))	0.977***
		D(LNPOP)	0.240*	D(LNENY)	0.773***
		ECT(-1)	-0.67**	D(LNENY(-1))	-1.052***
				D(LNENY(-2))	-0.228
				D(LNENY(-3))	-0.322
				D(LNGDI)	-0.633***
				D(LNGDI(-1))	0.735***
				D(LNGDI(-2))	-0.766***
				ECT(-1)	-1.55***
R square	0.99	R square	0.73	R square	0.98

Note: Dependent variable is D(LNGDP). (*),(**),(***) indicate significant at 10%,5% and 1% significant level.

5. Conclusion

The role of FDI as a driver for sustainable development in Malaysia has been confirmed in this research. It should be recalled that FDI inflow has not only increase the growth but also improved income distribution and the quality of the environment in Malaysia. This outcome may not sustain at following year as the implication only reflect the impact of FDI on SD from the year 1970 to 2013. Therefore, to prolong sustainable development in the future through FDI, there is a need for the policymaker to revises existing policies such as Economic Transformation Program (ETP) that was introduced in 2010 that focus on policy measures to improve competitiveness and investment in 12 key economic areas. For example, Malaysia government agencies such as Malaysia Investment Development Authority (MIDA) should increase efforts to develop and enhance local supply chain to support multinational companies (MNCs) and actively reaches out to targeted industries and negotiates better incentive packages to attract FDI.

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The Influence of Need for Achievement and Risk Propensity on Income Increasing Earnings Management: A Study of Accounting Students in Indonesia

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Abstract

The aim of this research is to investigate the influence of need for achievement and risk propensity on income increasing earnings management. This research uses questionnaires to measure the variables. The validity and the reliability of questionnaires are tested by factor analysis and Cronbach's Alpha. Sample consists of students of accounting department in a school of business in Yogyakarta, Indonesia. Research hypotheses are tested by multiple regression analysis. Results of data analysis show that the regression coefficient of need for achievement is positive, but not significant. The regression coefficient of risk propensity is positive and significant. Therefore, there are two conclusions can be drawn from this research. First, need for achievement does not positively influence income increasing earnings management. Second, risk propensity positively influences income increasing earnings management. This study has three contributions. First, this research tries to relate need for achievement and risk propensity to income increasing earnings management. This attempts to add new theoretical explanations of earnings management behavior. Second, this study develops some new question items for measuring income increasing earnings management behavior. Third, conclusions of this research can be used in determining appropriate psychological characteristics of managers or accountants for certain accounting policies.

Keywords: Need for achievement; Risk propensity; Earnings management

1. Introduction

Research that relates individuals' characteristics to earnings management is rare. Scott (2012) stated that earnings management is the choice by a manager of accounting policies or real actions that affect earnings to achieve some specific reported earnings objectives. Most research of earnings management focus on financial views, but earnings management reflects the interest of accountants rather than the real operating outcome of firms. Therefore, the motivation of this study is to investigate the psychological characteristics of accountants in relation to earnings management behavior.

This research uses psychological characteristics of accountants, that views accountants as individuals with unique values, attitudes, and needs that drive them and differ them from non-accountants. The premise is that an individual's needs, drives, beliefs, and values are the main determinants of behavior. This school of thought focuses on some psychological characteristics such as risk taking propensity and need for achievement. It is believed that psychological characteristics of accountants will influence their accounting decision making such as earnings management decision. Therefore, it is very interesting to investigate the influence of risk propensity and need for achievement on income increasing earnings management.

This research has three contributions. First is theoretical contribution. This study tries to relate need for achievement and risk propensity to income increasing earnings management. This research attempts to add a new theoretical explanation of earnings management behavior. Second is methodology contribution. This research develops some question items for measuring income increasing earnings management behavior. Third is practical implication contribution. Results of data analysis and conclusion of this research can be used in determining appropriate psychological characteristics of managers or accountants for certain accounting policies.

2. Theoretical Framework and Hypotheses Development

Risk propensity is the inclination to take or to avoid risks in an uncertain decision making environment. Risk propensity is a tendency to take risky actions. Individuals with high-risk propensity are more likely to take a risky action. Firm accountants are assigned to manage firm accounting system. They make decisions about accounting methods and estimates that are used. They must consider the effect of choosing certain accounting methods and accounting estimation policies. Hence, there are risks in decisions that they have made. Master and Deines (2011) investigated the difference in risk taking propensity between non-certificated and certificated controllers and found that there was a significant difference between both groups. They also found that there was a difference in risk-taking propensity between female and male controllers.

Need for achievement is a part of McClelland's theory of needs. Need for achievement is the drive to excel, to achieve a set of standards, and to strive to succeed (Robins and Judge, 2009, p. 214). Need for achievement is the personal striving of individuals to attain goals within their social environment (Cassidy and Lynn, 1989). Islahuzzaman (2010) found that there was a significant correlation between achievement motives and entrepreneurial orientation among public accountants. He found that public accountants have achievement motivation and entrepreneurial orientation at intermediate level.

Agency relationship is a relationship between a principal and an agent in which the principal hires the agent to give some services and the principal delegates some decision making authorities to the agents (Anthony and Govindarajan, 2007, p. 530). In an employment contract, managers and accountants are agents and shareholders are principals. Agency theory assumes that people are self-interest (Eisenhardt, 1989). Managers and accountants tend to do opportunistic behavior to increase their wealth. This deduction is consistent to hypotheses in positive accounting theory that were developed by Watts and Zimmerman (1986, pp. 208, 216, 235). The hypotheses involve bonus plan, debt covenant, and size hypotheses.

Earnings management is the usage of certain accounting methods, accrual estimations, and real activities manipulation by a manager to achieve certain objectives. Scott (2012, p. 423) mentioned that there are two ways of thinking about earnings management. First, earnings management is opportunistic behaviors. Managers want to maximize their utility by doing earnings management, in relation with compensation contract, debt covenant, and political costs. Second, earnings management is efficient behaviors. Managers want to protect themselves and the company in the face of unanticipated state realizations, to the advantage of all the contracting parties. Managers want to deliver private information about the company prospect to outside stakeholders by doing earnings management. This way of thinking is from efficient contracting or information perspectives.

The ways to do earnings management can be categorized into three categories. First is accounting method change, for example, choice of average rather than FIFO for inventory cost flow assumption. Gopalakrishnan (1994) found that unlevered firms tend to choose income increasing accounting methods more than levered firms, by choosing certain inventory methods. Second is accounting estimation change, for example, changing the useful life of certain fixed assets. Kurdi (2010) found that oil and gas companies opportunistically revise their oil and gas estimate to increase depreciation, depletion, and amortization expense during periods of high oil prices. Third is real activity manipulation to avoid reporting annual losses (Roychowdhury, 2006). It is done by accelerating the timing of sales, overproduction to report lower cost of goods sold, and reducing discretionary expenditures to improve reported margins among firms that reporting small annual profits. Jackson and Wilcox (2000) found that firm managers grant sales price reductions in the fourth quarter to meet annual financial reporting targets.

2.1 Hypothesis Development: Need for Achievement, Agency Theory, and Earnings Management

Need for achievement is the strong desire to be successful. Need for achievement may play an important role in affecting earnings management behavior. Agency theory assumes that people are self-interest (Eisenhardt, 1989). It is deducted that accountants tend to behave opportunistic by doing earnings management. Therefore, it is believed that accountants with a high need for achievement have a strong desire to succeed and consequently more likely to do income increasing earnings management. The hypothesis is developed as follows:

H1: Need for achievement positively influences income increasing earnings management.

2.2 Hypothesis Development: Risk Propensity, Agency Theory, and Earnings Management

An individual's risk preference can be defined as an individual's orientation toward taking chances in uncertain decision making context (Koh, 1996). Certified management accountants or controllers tend to be moderate risk takers. However, non-certified management accountants or controllers have a greater propensity to take risk than certified management accountants or controllers (Master and Deines, 2011). It is believed that accountants prefer to take risks in environment where they have some degree of control or skill to manage earnings. If it is related to agency theory's assumption that people are self-interest, then it can be deducted that accountants with a high risk-taking propensity will tend to do income increasing earnings management. The hypothesis is formulated as follows:

H2: Risk propensity positively influences income increasing earnings management.

3. Research Method

3.1 Sample

This study uses a sample that consists of accounting students in YKPN business school in Yogyakarta, Indonesia. Liyanarachchi (2007) found that accounting students may be adequate surrogates for practitioners in many decision making experiment. This research uses purposive sampling method. Criteria for selecting sample are: (1) accounting students of undergraduate degree, or accounting profession education program, or graduate degree, and (2) accounting students taking accounting theory subject or have passed accounting theory

subject. If these criteria are met, then chosen students are sample subjects as they have good understanding about earnings management. There are a total of 60 students that fulfilled these criteria, in second semester of 2014. Out of 60 students, 56 are usable responses and 4 are unusable responses.

3.2 Measurement of Variables

Research variables are measured by using questionnaire as follow:

1. Need for achievement variable is measured by using 5 items of questions. Each question has a 1 to 7 scale with 1 as strongly disagree and 7 as strongly agree. These question items are adapted from Yosuf et al. (2007).
2. Risk propensity variable is measured by 5 question items. The items have seven-point scale. The scale ranges from 1 (strongly disagree) to 7 (strongly agree). The questions are adapted from Paunescu and Cantaragiu (2012).
3. Six question items are developed to measure income increasing earnings management. These consist of 2 questions of accounting method change, 2 questions of accounting estimation manipulation, and 2 questions about real activity manipulation. The questions have scales of 1 to 7 with 1 as strongly disagree and 7 as strongly agree.

3.3 Data Analysis Method

Data analysis involves validity and reliability testing of instrument and multiple regression analysis is used to test hypothesis 1 and 2. The dependent variable is earnings management and the main independent variables are need for achievement and risk propensity. These variables are measured as metric scales. Job is used as control variable. It is a non-metric variable. The multiple regression equation that is used to test the hypotheses is as follow:

$$EM = \beta_0 + \beta_1.NA + \beta_2.RP + \beta_3.JOB + \varepsilon \quad (1)$$

where EM= Earnings management; NA= Need for achievement; RP= Risk propensity; JOB= Job (1= students, 2= lecturers, and 3= professionals or managers)

4 Data Analysis

The validity of research instrument is tested using factor analysis. Factor analysis is applied on 56 usable questionnaires. Questions that have factor loading less than 0.50 are disposed. A total of five questions are disposed. They consist of one question (question 5) of need for achievement, three questions (question 1, 2 and 3) of risk propensity, and 1 question (question 6) of earnings management. Table 1 shows the factor loading of usable questions (11 questions) in this research. The usable questions consist of five questions of earnings management, four questions of need for achievement, and two questions of risk propensity. The results show that Kaiser-Meyer-Olkin measure of sampling adequacy is 0.673. It is greater than 0.60. Bartlett test of sphericity is significant with probability value= 0.000.

Reliability of research instrument is tested by Cronbach's alpha (Sekaran and Bougie, 2010, p. 325). The three factors that are resulted by factor analysis are tested by Cronbach's alpha. If Cronbach's alpha coefficient is more than 0.70, then the factor is reliable. The Cronbach's alpha coefficients of three factors are more than 0.70 (earnings management = 0.857, need for

achievement = 0.701, and risk propensity = 0.766). They are reliable. This research uses the means of questions scores that fulfill validity and reliability tests for the next analysis.

Table 1: Rotated Component Matrix

Question Items	Factor 1	Factor 2	Factor 3
EM1: When inventory costs tend to increase, I tend to change the inventory cost flow assumption from average to FIFO to increase the current period accounting earnings	0.864		
EM2: I tend to capitalize research and development expenditures to increase current period accounting earnings	0.825		
EM3: I will decrease bad debt estimation to increase current period accounting earnings	0.787		
EM4: I will decrease estimated inventory obsolescence loss to increase current period accounting earnings	0.897		
EM5: I tend to give a loose credit term sales by lengthening the credit term period and increase the percentage of sales discount to increase current period accounting earnings	0.613		
NA1: I have the desire to have high earnings		0.652	
NA2: I like to achieve a higher position for myself in society		0.794	
NA3: I will become successful if I work hard		0.689	
NA4: I need to develop my personal ability continuously		0.748	
RP4: In general, I am of the opinion that, given the characteristics of the business environment, courage and grand actions are needed in order to achieve my objectives			0.886
RP5: Under uncertain market conditions, in the decision making process, I usually choose to adopt a brave attitude in the idea to utilize the potential opportunities			0.878

Note: EM= Earnings management; NA= Need for achievement; RP= Risk propensity

Heteroscedasticity is detected by Glejser test. This test uses residuals as the dependent variable and it is applied on the independent variables. The results indicate that there is no heteroscedasticity problem as there is no significant regression coefficient. Durbin-Watson test is carried out to test the autocorrelation. This test determines the range that has d_U and $4-d_U$ as lower and upper limits by using Durbin-Watson d statistic table (Gujarati and Porter, 2009, p.888). If Durbin-Watson value is located within this range, it means that there is no autocorrelation. By using significance level of 5% and three independent variables, it is found that d_U is 1.655 and $4-d_U= 2.345$. The result of empirical analysis indicates that Durbin-Watson value is 1.961. This value is located within the range. Therefore, it is concluded that there is no autocorrelation problem in the multiple regression model.

Descriptive statistics show the mean values of need for achievement (6.642), and risk propensity (5.432) are high. These indicate that respondents have high need for achievement and tend to be risk takers. Earnings management mean value (4.519) shows that respondents

have tendencies to do income increasing earnings management at high enough level. Risk propensity is the most disperse among the variables.

Table 2: Results of Multiple Regression Analysis

Independent Variables	Regression Coefficient	T-Value	Probability Value	R ²	Adj. R ²
Constant	1.979	1.503	0.142	0.254	0.187
Need for achievement	0.252	1.419	0.165		
Risk propensity	0.235	2.560	0.015		
Job	-0.361	-1.861	0.072		
Regression model			0.020		

Hypotheses tests are carried out by multiple regression analysis. Table 2 indicates the results of hypotheses testing. The dependent variable is earnings management. It is predicted that need for achievement (hypothesis 1) positively influences income increasing earnings management. The results do not support hypothesis 1. The coefficient of need for achievement is positive (0.252) but the probability value is not significant (0.165). It is concluded that need for achievement does not positively influence earnings management.

Hypothesis 2 states that risk propensity positively influences income increasing earnings management. Empirical results support this hypothesis. Regression coefficient of risk propensity is positive (0.235) and its probability value is significant (0.015). Therefore, this research concludes that risk propensity positively influences income increasing earnings management. This study uses job variable as a control variable. Job regression coefficient is negative (-0.361) and the probability value is insignificant (0.072). It is concluded that job does not influence income increasing earnings management.

5. Conclusion, Limitation, and Implication

The objective of this research is to investigate whether the need for achievement and risk propensity positively influence income increasing earnings management. The results of analysis indicate that respondents have high need for achievement and risk propensity. They have also a tendency to do income increasing earnings management at a high enough level. This research finds that need for achievement does not positively influence income increasing earnings management. However, it finds that risk propensity positively influences income increasing earnings management. These findings have a new theoretical implication that earnings management behavior variable is influenced by risk propensity variable. This research adds a new independent variable that influences earnings management or new relationship in earnings management research. It is a psychological characteristic variable. Some other independent variables influence earnings management, such as activism and the financial expertise of audit committee members (Ioualalen et al. 2015), and firm size and corporate strategy (Uwuigbe et al. 2015).

There are some limitations in this research. First, results of data analysis do not support hypothesis 1. It is observed that need for achievement does not influence income increasing earnings management. The plausible explanation is that this research did not consider the existence of a moderator variable. A moderator variable is a variable that influences the strength of relationship between a predictor variable and a dependent variable. There are some potential variables that moderate the influence of need for achievement on earnings management, such as education level and work experience. Some accounting students that are chosen as sample are students of graduate program, or accounting profession education program. These students might have work experience before continuing their study to graduate or accounting education programs. Further research is needed to investigate the existence of these moderator variables. Second, respondents are not selected at random. Therefore, generalization of results of this research is still needed to be improved by doing further research to strengthen the conclusion of this research.

Results of data analysis support that risk propensity positively influences earnings management. These results suggest the owners or shareholders of companies to consider risk propensity in recruiting or choosing accounting or financial managers or accountants. When earnings management is deemed as a necessary accounting policy, they will choose an accounting and financial manager or accountant with high risk propensity. However, when the owners consider that earnings management is an unethical action, they will choose a manager or accountant with low risk propensity.

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Term Time Employment among Tertiary Students: Evidence from Universiti Sains Malaysia

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Abstract

It is a common phenomenon for tertiary students to take up part-time employment during vacation break. However, part-time employment during term-time is less common as it demands efficient time management by students; whereby students need to juggle between fulfilling academic needs, university extra-curricular activities requirements and responsibility towards part-time job. Hence, given the added pressure of time due to part-time employment, the premise of the study is that financial hardship could be one of the key drivers that compel students to work during term time. The purpose of this paper is to investigate the prevalence of term-time employment among tertiary students and to identify the factors that determine students' decision to take up part-time employment during term time. The analysis is based on the sample size of 400 Universiti Sains Malaysia's undergraduate students. Logistic regression is used to determine the factors that can significantly affect the likelihood of students working during term time. It is found that only 20.5% of the students are involved in term time employment. Gender, year of study and family income are amongst the significant factors that affect students' likelihood to work during term time. Interestingly, financial hardship is not a significant factor but students' financial needs to maintain their desired lifestyle contribute positively to students working part time during term time. On the other hand, it is evident that time management and academic pressures during term time keep students away from employment during term time. Lastly, the findings of the study indicate that majority of the tertiary students in the public university are quite comfortable with their financial status unlike students from other countries such as U.K, Australia and U.S.A who have to take up part-time employment to alleviate their financial hardship during their tertiary studies.

Keywords: Student employment; Part-time job; Time management; Youth; Term-time employment

1. Introduction

According to the standard definition used in Employment (Amendment) Act 2012 in Malaysia, part-time employee is defined as a person whose average working hours per week is one that is agreed between him and his employer and is generally more than 30% but do not exceed 70% of the normal working hours per week compared to a full-time employee in a similar capacity and in the same enterprise.

It is not a new phenomenon for full-time undergraduates to take up part-time employment. In fact, there is an increasing trend of students taking up part-time employment in developed countries such as the U.S.A., U.K, Australia and European countries (inter alia, Lucas and Lammont, 1998; Watts and Pickering, 2000; Curtis and Lucas, 2001; Barron, 2006; Scott-Kayton, 2012). Apart from providing some form of financial relief to students, part-time employment create opportunities for students to link education with work experiences and

help students to be familiar with work demands and for them to reflect on those experiences (Watts and Pickering, 2000). However, there are also arguments against part-time employment as it is found to have negative effects on students' academic performance. For example, according to Gil (2014), Cambridge and Oxford University discourage students from term-time employment and it should not be permitted except under exceptional circumstances.

The decision and impetus for students to take up part-time employment is multifaceted and complex. The rising cost of education, high unemployment among graduates and lack of soft skills could be some of the factors that motivate students to take up part-time employment. While part-time employment among undergraduates is a common phenomenon in other countries, little is known about part-time employment among Malaysian undergraduates particularly term time employment.

Term-time employment refers to part-time jobs that are undertaken during semester time where active lectures and academic work is taking place. As term-time employment results in added pressure on time, there must be compelling reasons such as financial hardship that drive student to work during term time. This study focuses on term-time employment as it is in the interest to investigate the significant factors that drive students to juggle between academic demands and work demands. The study is pertinent given the recent issue of Malaysian undergraduates complaining of starvation due to lack of funds (Asian Correspondent, 2016).

2. Insights from the Literature

The theoretical insights to understanding undergraduates' decision to undertake term-time employment can be drawn from the Zero-sum Model (Coleman, 1961) and Theory of Social Embeddedness (Granovatter, 1985). Using the zero-sum model, Coleman (1961) explained that there is a trade-off between working hours and academic pursuits. Hence, according to zero-sum model, part-time employment results in less time spent on school work or involvement in school activities. On the other hand, the theory of social embeddedness shows that part-time employment create a social network for a student beyond their academic social network and exposes them to a different network that can have effects on an undergraduate's social development, perceptions and characteristics.

Empirically, the past studies have shown that part-time employment among students can be affected by four categories of factors such as personal background, personal financial status, personal skill development and personal satisfaction.

Variables in personal background category include gender, academic major and year of study. Recent findings show that female students are more likely to engage in part-time employment compared to the males (Darmody and Smyth, 2008; Morrison, 2009) while earlier studies found males to be more likely to undertake part-time employment (Steinberg et al., 1982; Mortimer et al., 1992). There is limited research that has taken into account the effects of academic major on part-time employment. However, given the difference in the course work load among different academic majors, this factor has been added into this study. There were mixed results in terms of the influence of year of study on part-time employment. While McCormick et al. (2010) found that first year students are more likely to work longer hours than other year students, Metacalfe (2001) found that 46% of third year students work part time across the four U.K universities that were surveyed in the study.

In the existing literature, personal financial status is measured by variables such as family income, self financial hardship, the need to support family and students' debt. Undergraduates from low family income have consistently been found to be more likely to take up part-time employment (Hughes and Mallette, 2003; Hunt et al., 2004). In addition, existing evidence shows that the need to meet basic necessities or living costs such as food and accommodation also drives students to be engaged in part-time employment (Callender and Kemp, 2000; Price et al., 2000; Oakey et al., 2003). The need to take up part-time employment to finance their basic living costs is an indicator of self financial hardship. On the other hand, Hunt et al., (2004) have found that students work part-time to prevent themselves from being saddled with debt upon graduation. This is particularly pertinent in light of rising tuition fees.

There are many benefits that students gain from working part-time such as self- development (Curtis and Shani, 2002), better time management skill (Mathei and Gilmore, 2005), communication skill and team work (Lucas and Lammont, 1998) and leadership and negotiation skills (Wigmall, 2007). All these contribute positively to the students' personal and career development and students are drawn to take up part-time employment due to these reasons.

Lastly, personal satisfaction derived from part-time employment was also found to be significant in undergraduates' decision to take up part-time employment. Part-time employment is found to help students maintain their desired need and lifestyle consumption (Barke et al., 2000; Hodgson and Spours, 2001; Moreau and Leathwood, 2006).

3. Model and Data

Model

The primary objective of the study is to investigate if an undergraduate is engaging in part-time employment during term-time. Therefore, the employment status of the undergraduate is the dependent variable and it is a binary dummy variable whereby the respondent (undergraduate) works part-time during term-time or otherwise. Logistic regression (Logit) model is an appropriate model to analyse the factors that influence the respondent's decision to work part-time or otherwise. In general, the logit model can be written as follows:

$$\log \frac{P}{1-P} = \alpha + \beta_i X_i + \varepsilon \quad (1)$$

where,

P denotes the probability of working part time during term-time. P takes the value of 1 if the respondent works part-time and the value 0 if respondent does not work part-time. β_i denotes the coefficient of the explanatory variables while X_i refers to the explanatory variables. ε is the stochastic disturbance term of the regression.

Data

The dataset used in this study is obtained from a survey which was carried out between December 2014 and February 2015. The target respondents are undergraduates from Universiti Sains Malaysia. Random stratified sampling was used whereby the sample was stratified according to year of study, academic major and gender to reflect a better representation of the undergraduates in Universiti Sains Malaysia. The number and proportion of Arts and Science stream graduates from year 2012 to 2014 is used as a basis for the sampling. It was found that approximately 40% of the students in USM main campus are from science based course while the remaining 60% are from the arts based course. The

sampling between 1st, 2nd and final year students are divided proportionately as 33%, 33% and 34% respectively. From a total of 480 students canvassed in this study, only 400 students have responded to the survey. A self-administered questionnaire was used and distributed randomly to the undergraduates based on the stratified sampling.

Variables

The explanatory variables are divided into three broad categories: personal background, personal financial status, perception and attitude towards life. In personal background variables that were included are gender, ethnicity, academic major and year of study. On the other hand, personal financial status are measured by the following variables such as family income, percentage of financing obtained from parents and study loan, number of dependents that parents have to support and if the respondent agrees that they experience financial hardship.

Adequacy of time, amount of time spent on academic matters, respondent's perception towards working part-time, respondents' preferences for other leisure activities to work and respondents' perception of part-time work to finance their desired lifestyle constitute factors under the category of perception and attitude towards life. All these variables are considered in the model.

Characteristics of survey respondents

Table 1 describes the variable definition and presents the summary statistics of the survey respondents. Of the 400 respondents, only 20.5% (82) respondents are involved in term-time employment. From cursory analysis, it is found that males (51.8%) are more likely to take up term-time employment compared to females. Apart from gender effects, a respondent who is in the third or final year of study (senior) are more likely to undertake term-time employment as 65.1% of those who work are seniors while seniors only make up 48.6% of the overall sample. Respondents who agree that they experience financial hardship and agree that part-time work help them to maintain their desired lifestyle are found to be more likely to work part-time than those who think otherwise. Furthermore, respondents who laments that they do not have adequate time to work and have negative perception towards part-time work are more likely to not work during term time. Finally, on average respondents spend 39% of time a week on academic matters and those who spend less time on academic matters (35.3%) are more likely to work part-time while those who do not work part-time spend on average longer hours on academic matters (40.7 %).

Table 1: Summary statistics of survey respondents (mean)

Variables	Description	Undergraduates who work during term-time (n ₁ =82)	Undergraduates who do not work during term-time (n ₂ =318)	Total sample (n=400)
<i>Binary variables (1=yes; 0=no)</i>				
Male	The respondent is a male	51.8	30.1	34.4
Chinese	The respondent is a Chinese	53.7	12.6	46.5
Indian	The respondent is an Indian	8.5	44.8	11.7
Malay*	The respondent is a Malay	37.8	42.9	41.8
Science	The respondent is a Science major	44.6	43.3	43.4
Senior	The respondent is in the 3rd or final year	65.1	44.5	48.6
Low	The respondent's parents' monthly income is below RM3000	28.9	18.5	20.5
Mid*	The respondents' parents' monthly income is between RM3001 to RM7000	63.9	73.3	72.1
High	The respondents' parents' monthly income is above RM7000	7.2	8.2	7.7
Financial	The respondent faces financial hardship	24.1	19.4	20.2
Time	The respondent has inadequate time to work	48.2	58.3	56.1
Negative	The respondent has negative perception towards part-time employment	16.9	25.7	23.7
Leisure	The respondent prefers leisure activities to work	27.7	49.2	44.6
Lifestyle	The respondent agrees that working helps to sustain his desired lifestyle	34.9	14.1	18.2
<i>Continuous variables</i>				
Loan	The percentage of financing from parents and study loan	76.2	74.9	75.1
Dependents	Number of family members who depends of parents' support	3.2	3.2	3.2
Academic	The percentage of time spent per week on academic matters	35.3	40.7	39.6

* denotes base(reference) variable

4. Empirical Analysis

Table 2 presents the estimates of logit regression (column 2) and the odds ratio of the explanatory variables (column 4). Hosmer-Lemeshow test ($\chi^2 = 11.89$) and likelihood ratio statistics (-171.1564) indicate that the model is good fit and that the coefficients of the explanatory variables are jointly significant at 1% significance level. Further, it is found that the model can correctly predict 79.5% of the outcomes in the sample. No multicollinearity is detected for variables which appear to be closely correlated such as family income, financial hardship, number of dependents and loan. The VIF for these variables are less than 10 and the pairwise correlations are less than 0.8.

Overall, it is found that gender, year of study, family income, personal preference for leisure activities to working, perception that part-time work helps to sustain respondent's desired lifestyle and amount of time spent on academic matters are significant predictors to the decision for respondents to undertake term-time employment. Ethnicity, academic major, number of dependents, financial hardship and adequacy of time to work are found to be not significant in determining the likelihood of respondents to undertake term-time employment. In terms of personal background, gender and year of study is found to have significant effect on the likelihood of a respondent undertaking term-time employment. It is found that the odds that a male respondent and a senior year respondent to take up term-time employment is higher compared to a female and junior year respondent.

Among the three variables that measure personal financial status, only family income is found to play a significant role in a respondent's decision to undertake term-time employment. A respondent from low income family is more likely to take up term-time employment compared to a respondent from middle income family. It is interesting to note that financial hardship is not a significant predictor. This is because majority of the respondents do not experience financial hardship (79.8%) as their basic needs are taken care of.

The percentage of time spent on academic matters is found to have significant effect on respondents' decision to undertake term-time employment. For every 1% increase in the time spent a week on academic matters, the odds for a respondent to engage in term-time employment falls by 0.985 times. However, perception of inadequacy of time to work does not have statistical significance on the decision to undertake term-time employment. In other words, it appears that time spent on academic matters is a more significant predictor than mere perception of adequacy of time to work.

A respondent who prefers to spend his time on leisure activities to work decreases the odds of engaging in term-time employment by 0.413 times. On the other hand, respondents who agree that term-time employment helps them to finance their desired lifestyle are more likely to undertake term-time employment. Overall, the results corroborates with existing studies.

5. Conclusions

This paper sets out to investigate the factors that will have significant effects on undergraduates' decision to undertake term-time employment. The decision to undertake term-time employment would require careful time management as undergraduates have to juggle between academic demands, university activities and work demands. As such, the initial premise of the study is that financial factor is one of the significant factors that will compel undergraduates to undertake term-time employment. However, the findings show that

while family income plays a role in respondents' decision to undertake term-time employment, the majority of the undergraduates are quite comfortable with their financial well-being and as such financial hardship does not appear to be a significant predictor to term-time employment. As a matter of fact, this indicates that the financial student aid provided by the government viz. PTPTN is helpful in alleviating financial woes of the students and enabling them to concentrate on their academic studies during term-time.

Table 2: Estimates and Odds ratio of the Logistic Model

Variables (1)	Coefficients estimates (β) (2)	Robust Std. Error (3)	Odds ratio (e^{β}) (4)
Male	0.716**	0.287	2.046
Chinese	0.235	0.327	1.265
Indian	-0.318	0.518	0.728
Science	-0.195	0.284	0.823
Senior	0.824***	0.289	2.279
Loan	0.00004	0.004	1.000
Low	0.622*	0.334	1.862
High	-0.620	0.602	0.538
Dependents	0.099	0.077	1.104
Financial	0.091	0.374	1.095
Time	-0.341	0.291	0.711
Negative	-0.487	0.384	0.614
Leisure	-0.883***	0.308	0.413
Lifestyle	1.303***	0.329	3.679
Academic	-0.015*	0.009	0.985
Constant	-1.677	0.645	0.187

*** denotes 1% significance level, ** denotes 5% significance level and * denotes 10% significance level

On another note, the findings show that undergraduates' attitude towards life have significant effects on their decision to undertake term-time employment. For example, undergraduates clearly reflect the Generation-Y's characteristics whereby they prefer leisure activities to work and perceive term-time employment as their means to sustain their desired lifestyle and consumption. Furthermore, it is also clear academic work puts a strain on undergraduates' time and hinders them from undertaking term-time employment.

Lastly, as little is known about the status of term-time employment among undergraduates in Malaysia, this paper represents one of the first attempts to definitively and econometrically determining the role of undergraduates' personal background, financial factors and lifestyle in affecting their decision to undertake term-time employment. This study could be further extended to other universities and comparisons between the behaviour of undergraduates in public and private universities could also be made to give a more comprehensive insight on term-time employment among Malaysian undergraduates.

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The Process of Developing Costing Skills Course for Small and Medium Enterprises' (SMES) Training Programmes

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Abstract

Costing skills (CS) are very important to achieve competitive advantage, especially in the globalisation era. However, SME owner managers in Malaysia still lack various entrepreneurial skills and knowledge, especially on CS. Furthermore, current entrepreneurial training programmes provided by the government do not include in-depth discussion on CS. Thus, this research intends to develop CS course for training programmes of SMEs using practical action research approach. This study was conducted with the cooperation of Co-operative and Entrepreneurship Improvement Institute, Universiti Utara Malaysia (CEDI, UUM). The discussion of this paper is based on the action research cyclical process of planning, acting, observing and reflecting. Various data collection methods are employed, such as interviews, survey questions, documentary and observation. By diagnosing the problems, involving eight SME owner managers and four accounting training providers, this study found that Malaysian SMEs still lack CS, in line with findings in the extant literature. At the acting stage of practical action research, thirty-two participants involved in the first training.

Keywords: Costing skills, Training programme, Action research, SMEs.

1. Introduction

Globalisation and liberalisation have led to the worldwide distribution and provision of products and services. Malaysian SMEs are showing a stronger tendency for exporting their products and services (Abdul Talib and Md Salleh, 1997). However, export of products of Malaysian SMEs is less than 20 percent of total Malaysian exports and lagging behind compared to Asian countries, such as Taiwan, Korea and Singapore (Goh, 2007; Hashim, 2000; Lall, 2000). SMEs face numerous problems and challenges in competing globally, including limited entrepreneurial skills knowledge (Nik Abdullah and Mohd Zain, 2011). According to Zulkifli and Jamaluddin (2000), SME owner managers agree that the quality of the product and services and the cost are the best weapons to compete globally.

Related to costing, costing skills (CS) are very important to achieve competitive advantage through cost leadership (Miller and Friesen, 1984; Porter, 1989; Reed and DeFillippi, 1990). David (1997) states that cost leadership means producing standardised products or services at very low per unit cost for customers who are price-sensitive. However, even though CS are very important for businesses, especially to compete globally (as discussed above), SME owner managers in Malaysia still lack CS knowledge (Jamaluddin and Dickie, 2011; Jusoh, Ziyae, Asimiran and Abd. Kadir, 2011). Lack of CS is therefore considered as a major factor

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for failure of Malaysian SME (Hashim, 2005, 2011a). Review of the literature and research has found that the failure of SME in Malaysia is strongly associated with a lack of accounting knowledge, especially on CS (Hashim, 2005, 2011a). Lack of CS among the SME owner-managers has been recognised as an agent of various problems factor of SME in Malaysia (Hashim, 2005, 2009, 2011a, 2011b). In 2009, the failure rate of SME in Malaysia was 60% (N. A. H. Abdullah, Ahmad, Md. Rus, and Zainudin, n.d.; Ahmad and Seet, 2009; KiatGan and Almsafir, 2013). Although this rate went down to 45.3% in 2010, but it is still high compared to other developing countries, such as Pakistan (31%) (Yen Teoh and Chong, 2014).

In most developing countries, to enhance entrepreneurial skills among the SME owner managers, governments and their agencies provide various entrepreneurial training programmes (Abdullah and Latif, 2014). However, entrepreneurial training programmes provided by the Malaysian government and its agencies seem to have failed to achieve the set objectives (Ariff and Abubakar, 2000). This is because the contents of the training programme do not reflect the real needs of SME owner managers (Gibb, 2011). This failure of the training course to fulfil the needs of SME owner managers can be attributed to the lack of involvement of SME owner managers in the process of developing the training course. The training course is just a reflection of the trainers' expertise and experience, rather than SME owner managers' needs (Honadle and Hannah, 1982; Jennings and Hawley, 1996).

The lack of CS among the SME owner managers and the problem of having the right entrepreneurial training programmes provided by the government motivated the researcher to carry out this study. The main objective of this study is to develop CS course for training programmes of SMEs using an action research approach.

2. Data Collection Protocol

The action research approach is normally used to resolve or to improve problematic phenomena, through a spiral or cyclical process of planning, acting, observing and reflecting (Cumming and Worley, 2005; Kemmis and McTaggart, 2005; O'Brien, 1998). For the purpose of this study, practical action research was employed to develop CS training course. The practical action research process involves understanding the problem through "thematic concern" analysis and providing improvement techniques (McKernan, 1991). Since the process of developing course is a part of educational research, Elliot (1991) and Akdere (2003) also suggest the use of practical action research in course development for training programmes.

According to the literature and supported with the "thematic concern" analysis, SME owner managers in Malaysia lack CS; current training programmes do not help them to strengthen their CS knowledge. Current training programmes on accounting are more focused on book-keeping and preparation of financial reports. The next topic discusses the practical action research process employed in this study.

The researcher developed a mutual understanding with the Cooperative and Entrepreneurship Development Institute, Universiti Utara Malaysia (CEDI, UUM). The accessibility of data is one of the most crucial criteria in practical action research. CEDI, UUM provided various sources of data, such as data on SME owner managers and accounting training providers, current accounting modules and current training schedules. In addition, CEDI, UUM also arranged the training sessions with the SME owner managers. The process of practical action research of this study is as displayed in Figure 1.

As shown in Figure 1, this study employed various data collection methods. Related to the number of participants, eight SME owner managers and four accounting training providers were involved during the “thematic concern” analysis stage. At the acting stage, thirty-two participants involved in the first training. The data collection was carried out during the period of August 2014 to December 2014.

3. Research Findings and Discussions

At the planning stage, in the process of developing CS knowledge, the researcher distributed survey questions on the preferred topics to be covered in the CS training. The information on the preferred topics is very important because CS training covers a wide array of topics, such as products and services costing, planning, control and decision-making process (Guan, Hansen and Mowen, 2009). The current practice of entrepreneurial training is only two (2) hours for each module. Thus, the researcher developed a survey questionnaire on CS topic preference and distributed it to the SME owner managers who were involved in the first interview. However, the participants were not able to rank the topic appropriately based on the importance and preference because of lack of understanding on CS. Although the researcher had explained the costing terms used in the survey, the SME owner managers were still confused. Therefore, the researcher conducted a semi-structured interview to identify the cost management topics which are very important to the SME owner managers.

Most of the participants referred to product costing when talking about CS. Product costing was considered as the most crucial topic identified by the SME owner managers because it is related to pricing decisions and other decision-making processes. The importance of product costing knowledge for SME owner managers was also supported by accounting training providers. Based on their experience, SME owner managers are very weak in product costing. Thus, the researcher developed product costing module with related examples. The product costing module and related examples were then reviewed by two (2) management accounting lecturers to check the suitability and appropriateness of each term used.

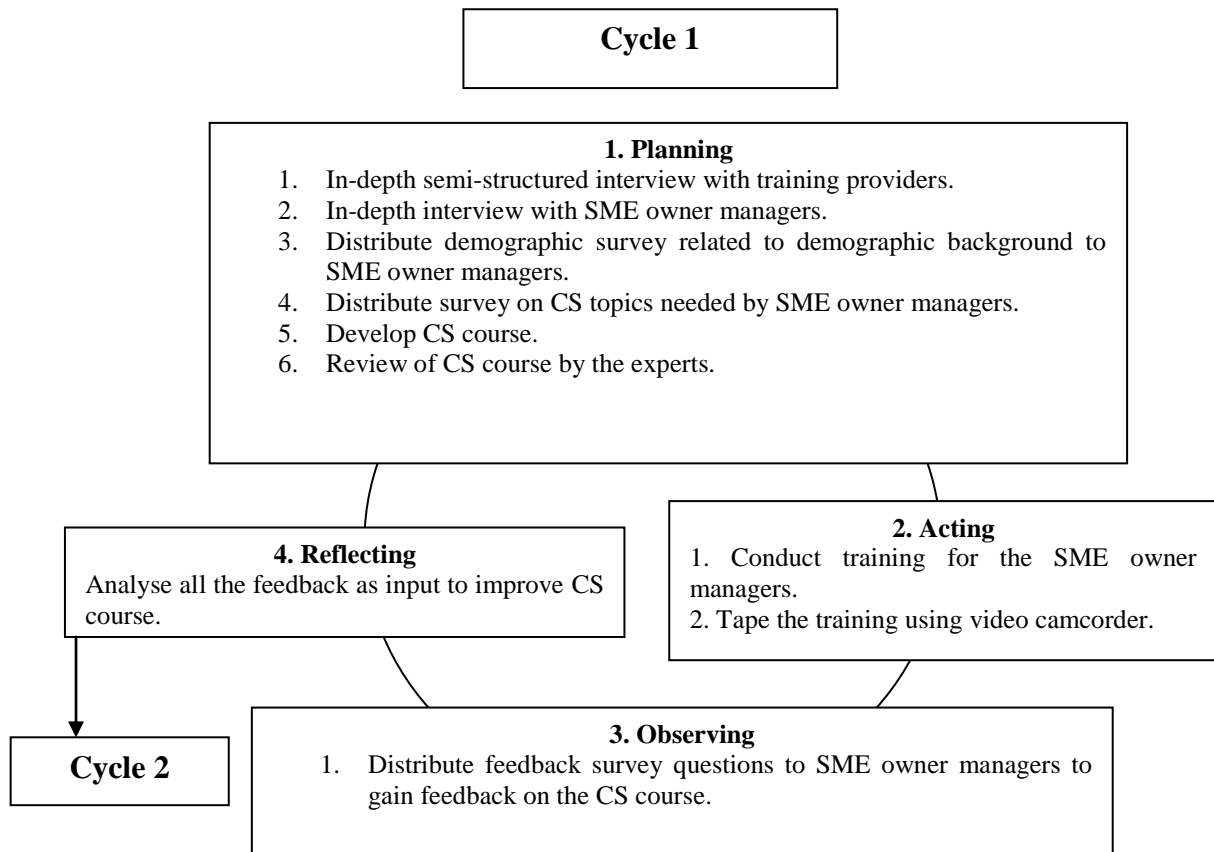


Figure 1: Practical action research in the development process of CS course

At the acting stage which took place on 25 October 2014 (Saturday), the module was delivered to thirty-two (32) SME owner managers which took two (2) hours. During the delivery process, the researcher did systematic observation on the acceptance of the participants of the product costing module. The researcher also noted the questions and suggestions from the participants during the training. At the end of the session, the researcher distributed the feedback survey questionnaire. The feedback survey questionnaire was developed based on the reaction level during the training evaluation based on Kirkpatrick and Kirkpatrick (2006). The feedback survey included a likert scale ranging from 1 (very unsatisfactory) until 5 (very satisfactory) (Gay, Mills and Airasian, 2006; Mills, 2014; Schmuck, 2006) and open-ended questions (Koshy, 2005).

Table 1: Feedback survey results on product costing module

		Mean
	CONTENTS OF THE MODULE	
1.	The course contents achieve the objectives	4.53
2.	The course contents meet my needs as an entrepreneur.	4.69
3.	The course contents have been prepared well.	4.69
4.	The course contents suit my business practices.	4.47
5.	The contents of this course will help me to manage my business cost more accurately.	4.72
6.	I can understand and can use the knowledge I have learned in my business.	4.66
7.	I will not use the knowledge I have learned in my business.	1.19
	TOTAL	4.63
	COURSE TRAINER	
	The course contents are delivered simply and efficiently.	4.72
	SUPPORT MATERIALS AND ACTIVITIES	4.63
	The course support materials are well prepared.	4.66
	The course activities are relevant to the course contents.	4.56
	COURSE DURATION	
	The duration of the course is appropriate.	3.41

At the observing and reflecting stage, besides the feedback on the contents of the product costing module, this survey also received feedback on trainers, course duration, support materials and activities. As shown in Table 1, most mean scores are more than 4.5 out of 5.0; it can therefore be concluded that the participants are satisfied with the contents of the product costing module. However, from the researcher's observation during the training, among the suggestions to improve future training is to include service and trading costing in the module. The suggestion to include service and trading costing was also highlighted by the participants in the open-ended question in the feedback survey. The participants also suggested that the two (2) hours training duration should be improved. The suggestion has been relayed to CEDI, UUM because it is beyond the researcher's control. All the suggestions for improvement of the product costing module in the first cycle of action research were taken into consideration in the next cycle.

4. Conclusion

The main objective of this study is to develop CS course for training programmes of SMEs. The development process of the module employed practical action research approach. Practical action research approach is the process of understanding the problematic phenomena and suggesting potential solutions or improvement. The action research cycle is a continuous process and need not necessarily involve the same participants in each cycle because the suggestions for improvement from the previous cycle will be incorporated in the next cycle (Zuber-Skerritt, 2002). Based on the analysis in "thematic concern" analysis stage, the study find that SME owner managers lack of CS. Current training programme provided by the government tend to focus more on financial accounting rather than CS. Thus, this study was carried out to develop CS course in the SME training programme through practical action research. This study contributes to informal education (training) course development because in the literature, training development was less focus as compared to formal education. The development of appropriate CS training course in the SME training programme will benefit SME owner managers in the future.

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Knowledge Sources and In-House R&D among Small and Medium Sized Enterprises: Evidence from Malaysian Manufacturing Sector

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Abstract

It has been widely recognised that small and medium sized enterprises (SMEs) do not innovate as much as large enterprises. As such, there is a need to stimulate innovation activities among SMEs. As SMEs tend to rely on external sources for innovation activity, the role of external knowledge sources in facilitating innovation activity needs to be understood in the context of SMEs. This paper aims to provide an insight on the prevalence of in-house R&D among SMEs and to investigate factors affecting SMEs' decision to engage in in-house R&D. The analysis is carried out using firm-level data obtained from Malaysia's National Survey of Innovation, 2005-2008. Heckman's probit selection model is used to model the SMEs' decision to engage in in-house R&D activity. The results indicate that the extent to which Malaysian SMEs engage in in-house R&D is low and that the extent to which SMEs utilise various knowledge sources is higher among those engaging in in-house R&D than those engaging in other innovation activities. Informal knowledge flows are not a key factor that affects SMEs' to engage in in-house R&D activity. In contrast, formal knowledge flows from foreign players tend to enhance SMEs tendency to engage in in-house R&D.

Keywords: Innovation, R&D, Knowledge Sources, Small and Medium Enterprises
JEL Code: 032, L60

1. Introduction

In this globalisation era, firms not only have to compete with other domestic firms in their own market but also foreign players from all over the world. To survive in this competitive global environment, firms can no longer sustain their growth by carrying out low value-added activities. Neither can they rely on imitating, copying, utilising sophisticated imported equipment and machineries, and improving their production efficiency via developing cost-effective process innovation (Liu, 2014). Most national markets are no longer protected markets for domestic firms (Hatzichronoglou, 1996). The need for new product development has become critical in this highly competitive global environment.

Internal sources of knowledge have an important influence on firms' innovative performance; i.e. in their innovation process, firms rely on knowledge developed through in-house R&D efforts as well as internal education and training programs. However, firms also need to supplement internal knowledge with knowledge acquired from outside the firm. Establishing links with others firms and institutions will help firms to secure the inflow of new ideas and approaches that will eventually lead to innovations. Firms in the first-tier of newly industrializing countries (NICs) such as South Korea, Taiwan, Hong Kong and Singapore, are able to develop their own products or co-develop new products with external players due to their strong internal technological capabilities. However, firms in the second-tier NICs (which includes Malaysia) might not necessarily follow the innovation development path of first-tier NICs due to insufficient internal innovative capabilities. The second-tier NICs have

encountered problems such as lack of human capital and innovative capabilities when climbing up the technological upgrading ladder (Hobday, 1995).

Empirical studies show that firms of smaller size are less likely to engage in innovation activities than their larger counterparts (Hashi and Stojčić, 2013; Shefer and Frenkel, 2005) and that firms undertaking R&D tend to perform better (Crepon et al., 1998; Hall and Mairesse, 1995). Engaging in R&D increases the absorption capacity of firms (Cohen and Levinthal, 1989). In the case of Malaysia, it is reported that SMEs often lack the time, manpower and funding to conduct R&D (Malaysia, 2011b). It is also noted that Malaysia provides tax incentives to support R&D activity but only a small percentage of SMEs are at the technological frontier and are able to benefit from it. SMEs also often face challenges in procuring financial support for commercialisation of the R&D. In addition, their lack of resources also inhibits SMEs from assessing the marketability of their innovation. It is often argued that SMEs seldom innovate in isolation and they often rely heavily on external knowledge sources from various players within its innovative environment (Avermaete et al., 2004). However, empirical results show that investment in external knowledge sourcing alone does not necessarily lead to better innovation performance unless some in-house R&D is carried out (Li, 2011).

The empirical link between innovation and knowledge sources have been examined in developed countries (e.g. Piergiovanni, et al., 1997; Thornhill, 2006; Tödtling et al., 2009). Related works in developing countries are largely underdeveloped (Liu, 2009). Given that Malaysia aims to transform the nation into an innovation-led economy, the role of external players in providing knowledge that can be utilised for innovation has to be examined in the local context. A survey carried out in Malaysia revealed that a great majority of SMEs do not undertake any form of in-house R&D activities (Malaysia, 2011b). While there have been numerous firm-level innovation studies carried out in Malaysia (for example Lee, 2004; Lee, 2008; Lim and Nagaraj, 2011), related studies focusing on SMEs have been limited with the exception of Lee and Lee (2007). This study departs from existing empirical studies in that it identifies the firm-specific characteristics of Malaysian SMEs undertaking in-house R&D activity and examines the role of external knowledge sources in driving SMEs' engagement in their own R&D activities. The study aims to provide a better understanding of SMEs' behaviour regarding innovation and hence enable policy makers to formulate appropriate policies in driving SMEs' engagement in their own R&D activity.

2. Literature Review

Factors affecting R&D may be subsumed under three broad categories, i.e., firm-level characteristics, industry-level characteristics and knowledge sources. For individual firm characteristics, factors such as firm size, firm age, human capital, export orientation and foreign ownership are frequently considered as determinants of innovation/R&D in the empirical literature. Existing studies show that smaller firms are less likely to engage in R&D (Becker, 2013). In contrast, older firms are more likely to engage in R&D since young firms tend to encounter more difficulties in obtaining funding from investors and financial institutions as compared with matured firms as it is difficult for the external providers to differentiate between firms with better performance and those with poorer performance (Becker, 2013). In terms of intangible assets, highly trained employees are able to absorb and assimilate the external knowledge sources to create new R&D activities. Hence, firms which have more highly trained employees may have greater opportunities to engage in R&D (Acs and Audretsch, 1988; Becker, 2013). Trade openness also affects the propensity to undertake

R&D activity. Firms that encounter strong competition in the international product markets, such as export oriented firms, tend to be more likely to undertake R&D activity as they greater pressure to produce more innovative products. Existing studies found that export intensity tends to be higher among firms investing in R&D than those do not (Wakelin, 1998). In addition, firms belonging to a group of companies are more likely to undertake R&D due to their accesses to financial and knowledge resources from the parent company or other subsidiaries within the group. Previous studies find that firms belonging to a foreign group of companies, i.e. affiliates to a multinational corporation (MNC), tend to be more likely to undertake R&D activity in developing countries (He, 2007). As for industry level characteristics, differences across industries are taken into account by incorporating dummy variables in the model.

The literature on innovation system approach highlights the fact that innovation emerges as a result of complex interactions between firms and various players (Edquist, 1997). Nevertheless, empirical studies find that the players and their importance as sources of knowledge during the innovation process often differ from one nation to another (see studies in Nelson, 1993). External knowledge sources are particularly important to resource starved firms such as small firms which cannot generate internally all the knowledge necessary for innovation (Faber and Heslen, 2004; Teigland and McLure, 2003). The empirical literature on knowledge sources from foreign players does not consistently find evidence of positive spillovers (Becker, 2013).

3. Data and Model

This study uses data obtained from the fifth National Survey of Innovation 2005-2008 conducted by the Malaysian Science and Technology Information Centre, Ministry of Science, Technology and Innovation. The questionnaire was formulated following the principles outlined in the Oslo Manual and the fourth Community Survey of Innovation (Malaysia, 2011a). The survey filtered out non-innovators and hence this limits the collection of information on non-innovators. The analysis is carried out using the dataset of 252 small and medium sized innovators in the manufacturing sector. Following the National Survey of Innovation 2005-2008 (Malaysia, 2011a), the study defines a SME as a firm with 150 employees or less.

Empirical Model

An empirical model is formulated to examine the role of various knowledge sources in driving firms' engagement in in-house R&D activity. As innovation related information is not available for SMEs which did not engage in innovation activity, these observations cannot be used when examining the participation of SMEs in in-house R&D activity. Hence, the estimation of either a single probit equation based on the selected firms (i.e. innovators engaging in in-house R&D) or the estimation of two independent probit models separately, would fail to account for sample selection bias and the potential correlation between the selection process and the unobservables that may affect the measured response. Hence, the Heckman probit selection model is appropriate (Nicoletti and Peracchi, 2001). The Heckman probit selection model consists of the following equations:

$$Y_1 = \alpha'X + U_1 \quad (1)$$

$$Y_2 = \beta'Z + U_2 \quad (2)$$

where X is a α -vector of observed variables that affect Y_1 , Z is a β -vector of observed variables that affect Y_2 , and the error terms (U_1, U_2) are bivariate normal, with mean 0,

variance 1, and correlation ρ and, independent of X and Z . In application, equation (1) is the binary response model which defines the firm's decision to undertake in-house R&D conditional on the firm's decision to innovate, while equation 2 is the selection equation which defines the firm's decision to innovate. The binary observed indicators Y_1 and Y_2 are related to continuous latent variables Y_1^* and Y_2^* which are not observed directly.

In the selection equation, the observed variable Y_2 will take the value of one if firm i self-selects into undertaking innovation activity. The independent variables, Z , includes size of firm, human capital, age of firm, foreign ownership, export intensity, affiliation to a group of companies (Malaysian and foreign) and limited liability ownership structure. The size of the firm (SIZE) is measured by the natural logarithm of total number of employees. Human capital is proxied by the share of graduate workers employed by the firm. The age of the firm (AGE) is measured in terms of the number of years since the firm was established. Export intensity (EXPORT) is proxied by the proportion of annual sales being exported. This variable can be an indicator to measure the extent of global competition pressure faced by the firm. To measure the degree of foreign ownership, the FOREIGN variable is proxied by the proportion of foreign equity shares in the ownership structure. Two dummy variables, GROUP_MSIA and GROUP_FOREIGN, are used to take into account whether the firm belongs to a local or foreign group of companies. Each of these dummies takes a value of 1 when the firm belongs to a specific group and 0 otherwise. As for ownership structure, the LIMITED variable will take a value of 1 if the firm is a private company with limited liabilities or a public listed company with limited liabilities, and zero otherwise.

In the binary response equation, the observed variable Y_1 will take a value of 1 if firm i engages in in-house R&D activity based upon its decision to innovate. The independent variables Z included in the model are knowledge sources variables and control variables such as size of firm, human capital, age of firm and export intensity. Various knowledge sources which may build the firms' knowledge stock and drive its innovation activity have been included. The *informal* knowledge sources variables are proxied by the perceived importance of information sources for innovation obtained from various players. The importance of each information source is a binary variable that takes a value of 1 if the firm cited the source as being highly important and 0 otherwise. The sources of information include other companies within the group (IMP_GROUP), clients (IMP_CLIENT), suppliers (IMP_SUPPLIER), competitors (IMP_COMPETITOR), consultants (IMP_CONSULTANT), private and commercial research laboratories or institutions (IMP_RESEARCH), universities or higher education institutions (IMP_UNIVERSITY), and government/public research institutions (IMP_GOVERNMENT). In addition, *formal* knowledge sources from cooperative partners such as local players (COOP_MSIA) and foreign players (COOP_FOREIGN) are also included to account for possible knowledge flows from these players.

4. Empirical Analysis

Table 1 presents the relevance and the importance of knowledge sources that are utilised by SME innovators. The *relevance* of knowledge source is proxied by the proportion of firms citing a particular information source as being of some importance (i.e. low/medium/high importance). The *importance* of knowledge source is proxied by the proportion of firms citing a particular information source as being of high importance. Column 2 in the table shows that among all the information sources relevant for innovation, information sources from players in the value chain and competitors appear to be more frequently used by innovating firms during the innovation process. The majority of innovators source their ideas

either from customers (86%), suppliers (76%) or competitors (71%). This is followed by information sources from consultants (49%). Less than two fifths of the firms cited the information sources from commercial laboratories, higher education and government institutions are relevant to their innovation activity. With regard to the importance of knowledge sources presented in Column 2 in the table, it is noted that both customers and suppliers are ranked equally in terms of their importance. More than one third of firms find that information from customers and suppliers are of high importance for their innovation activities and this is followed by information from the competitors. Information from consultants, commercial laboratories, higher education and government research institutes are regarded as important in innovation activity by fewer SME innovators.

Table 1: The Relevance and Importance of Knowledge Sources for Innovation

Knowledge Sources (from)	All SMEs	
	The Relevance of Knowledge Sources (%)	The Importance of Knowledge Sources (%)
Customers	86.3	34.9
Suppliers	76.1	34.9
Competitors	71.4	29.8
Consultants	49.0	17.3
Commercial laboratories	38.0	15.3
University or other higher education institutes	36.9	15.7
Government or public research institutes	36.9	16.5

Table 2 displays the importance of knowledge sources for innovators engaging in in-house R&D and those that do not engage in in-house R&D but have carried out other innovation activities. It is noted that a higher proportion of firms cite each source of information as highly important when innovation was in the form of in-house R&D vis-à-vis the proportion of firms that cite these sources of information as highly important for other innovation activities. The ranking of the importance of knowledge sources differed between firms engaging in in-house R&D and those that do not. Information source from customers is perceived to be more important than those from suppliers among firms that engaged in in-house R&D. Conversely, information source from suppliers is of greater importance compared to information from customers for firms that engaged in other innovation activities.

Table 2: The Importance of Knowledge Sources and Engagement in In-House R&D and Other Innovation Activities

Knowledge Sources (from)	The Importance of Knowledge Source	
	SMEs engaged in in-house R&D (%)	SMEs engaged in other innovation activities (%)
Customers	53.3	27.1
Suppliers	49.3	28.3
Competitors	44.0	23.7
Consultants	30.7	11.3
Commercial laboratories	25.3	10.7
University/other higher education institutes	26.7	10.7
Government or public research institutes	26.7	11.9

Table 3 displays the estimates of Heckman’s probit selection model which examines the role of various types of knowledge sources on the propensity to engage in in-house R&D. The likelihood ratio statistic (-491.32) indicates that the model is good fit and that the coefficients of all explanatory variables are jointly significant at 10 % level of significance. The likelihood-ratio test of independent equations statistic (2.64) rejects the null hypothesis of

independent equations and the error terms in both equations are correlated at 10% level of significance. This clearly justifies that the use of Heckman's probit selection model for the analysis instead of the estimation of two independent probit models.

The selection equation (second column in Table 3) suggests that factors such as firm size, belonging to a foreign group of companies and foreign equity shares significantly affects SMEs' decision to engage in innovation activity. As expected, larger SMEs are more likely to engage in innovation activity. SMEs which are part of foreign group of companies tend to engage in innovation activity, but a similar finding is not observed among firms which are part of local group of companies. In contrast, SMEs with greater foreign equity shares are less likely to engage in innovation activity. Factors such as age, export intensity, and limited liabilities ownership structure do not significantly affect SMEs' likelihood to innovate. The variables export intensity and human capital are not significant in this equation probably due to the fact that a large percentage of SMEs do not engage in exporting (69%) and do not employ any graduate workers (51%). However, for human capital, the sign of the coefficient indicates that it has a positive impact on SMEs' decision to engage in in-house R&D, though the result was not significant at 10 percent level of significant. This could be due to the small number of SMEs which have hired graduates as their employees.

Table 3: The Results of Heckman Probit Selection Model

Variables	Selection Equation	Probit Equation
SIZE	0.2188***	-0.0053
HUMAN CAPITAL	0.0009	0.0098
EXPORT	-0.0021	0.0056*
AGE	-0.0037	-0.0136
GROUP_MSIA	0.0743	
GROUP_FOREIGN	0.6146**	
FOREIGN	-0.0061**	
LIMITED	0.1694	
IMP_GROUP		0.2979
IMP_CLIENT		0.2719
IMP_SUPPLIER		-0.3868
IMP_COMPETITOR		-0.0821
IMP_CONSULTANT		0.8612
IMP_RESEARCH		-1.1939
IMP_UNIVERSITY		0.4659
IMP_GOVERNMENT		-0.1722
COOP_MSIA		-0.0383
COOP_FOREIGN		0.7966**.
PRODUCT		0.5573***
PROCESS		0.2669
CONSTANT	-0.6915***	-0.5720

Remark: ***, **, * indicate statistically significant at 1%, 5% and 10%, respectively

The probit response equation (third column in Table 3) shows some interesting results. Conditional on firms' decision to innovate, export intensity, establishing innovation cooperation with foreign players and engaging in product innovation are significant determinants in affecting SME innovators' decision to undertake in-house R&D. Engaging in in-house R&D activity is often associated with product innovation. Firms engaging in export activity tend to encounter intense market competition, and therefore more inclined to engage in in-house R&D. With regard to human capital, it is interesting to note that the share of graduate workers to total workers was found to be positively associated with the likelihood to

engage in in-house R&D (significant at 12 per cent), but was highly insignificant in determining the likelihood of firms to innovate. In contrast, the reverse scenario was observed for firm size. Firm size is found to be significantly affecting the likelihood to innovate, but does not significantly affect the likelihood to engage in in-house R&D (conditional on firms decided to innovate). Formal knowledge sources appear to be significantly affecting SME innovators' decision to undertake in-house R&D once they decided to innovate. Establishing innovation cooperation with foreign players tends to enhance the likelihood of SME innovators to undertake in-house R&D, but this is not the case for firms that establish innovation cooperation with local players. In contrast, informal knowledge sources, proxied by the importance of information sources for innovation, obtained from various players were found to be not significant in determining the likelihood of SME innovators to engage in in-house R&D. This may be due to limited interactions between SMEs with other players, SMEs rarely getting beneficial information for their R&D activity or the lack of human capital that hampers SMEs' ability to absorb the relevant knowledge from external players.

5. Concluding Remarks

Malaysia encounters difficulty in upgrading the technological capability of SMEs. One way to enable SMEs to climb up the technological ladder is to assist them to undertake their R&D activity. The findings show that SMEs of larger size and belonging to foreign group of companies are more likely to innovate, but surprisingly those with foreign ownership are less likely to innovate. In this regard, policies on foreign investment may consider targeting foreign group of companies that may assist SMEs in upgrading their R&D capabilities. While one may perceive that external knowledge sources are of particular importance especially for SMEs with constrained resources, the results do not appear to support this notion. SMEs have access to a broad spectrum of information sources from various players, but only *formal* knowledge interactions via cooperative arrangement with foreign players appear to be important in driving SMEs participation in in-house R&D. Policies which aim at intensifying the cooperative arrangement with the foreign players will assist SMEs to carry out more sophisticated innovation activity such as undertaking R&D. The various *informal* knowledge sources are found to be not important in driving SMEs to participate in in-house R&D activity. Finally, the results, to some extent, indicate that both knowledge sources from higher education institutions and human capital are factors that may drive SMEs to undertake in-house R&D. Policies stimulating SMEs' accessibility to knowledge sources from players such as higher education institutions and consultants, and increasing human capital in SMEs, should be given priority.

6. Acknowledgement

We gratefully acknowledge the Malaysian Science and Technology Information Centre for providing the data and Universiti Sains Malaysia for funding this research (304/PSOSIA1/6312084).

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The Relationship between Market Concentration and Performance: Evidence from Malaysian General Insurance Industry

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Abstract

General insurance industry plays a vital role in the economic growth of Malaysia. The performance of general insurance sector in Malaysia was negatively affected during the 2007/2008 Asian Financial Crisis. Statistics from the Central Bank of Malaysia (BNM) have shown that the claim ratio was higher than its underwriting profit ratio. This has led to a decrease in the performance of the industry. In 2009, BNM has implemented the liberalization plan to strengthen the general insurance industry and improved its competitiveness. This plan has led to market consolidation, and hence resulted changes in market concentration of the industry. According to the Structure-Conduct-Performance hypothesis, a higher degree of market concentration would lead to better firm performance. The purpose of this study is to examine the impact of market concentration on firm performance in the Malaysian general insurance industry. The analysis is carried out using panel data covering the period from 2000 to 2012. The results indicate that there is no significant relationship between market concentration and firm performance.

Keywords: Market concentration; Firm performance; Insurance; Panel data; Malaysia

1. Introduction

Insurance industry plays a vital role in the economic development of a nation. The insurance industry is one of the key sectors contributing to the economic growth of Malaysia. The finance and insurance sector has accounted for 9.4% of the real GDP in 2012 (MOF 2015; DOSM 2013). The growth rate of finance and insurance sector's contribution to the real GDP is much higher than the growth rate of total real GDP (MOF 2015; DOSM 2013). During the 2007/2008 Asian Financial Crisis, the general insurance industry in Malaysia has encountered major challenges. Due to the increasing number of motorcycle thefts and motor accident cases, the frequency of insurance claims have escalated (Foong and Idris 2012). The claim ratio was higher than its underwriting profit ratio and this has led to deterioration in the performance of the industry. The industry has experienced underwriting losses amounting to RM 173.6 million in 2008 (BNM 2008). This has raised concerns over the financial strength of this industry.

Following this, a liberalization plan was implemented by the Central Bank of Malaysia (BNM) in 2009 to strengthen the insurance industry and to improve its competitiveness. Among the measures introduced include the relaxation of foreign equity limits as well as the establishment of unlimited number of branches nationwide by locally-incorporated foreign insurance companies (BNM 2009). These measures have led to series of mergers and acquisitions among foreign and local controlled insurance companies (Foong and Idris 2012). For example, Tokio Marine Insurance Malaysia acquired PanGlobal Insurance Berhad in 2009 and MUI Continental Insurance Berhad in 2012 (TMIM 2015). The liberalization plan

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has indirectly affected the number of insurers and the market concentration in the industry. Statistics from BNM have shown that the number of general insurers and composite insurers have decreased from 33 in 2008 to 26 in 2012 (BNM 2008; BNM 2012). The degree of market concentration changed after the implementation of the liberalization plan. The market concentration ratio of the four largest firms (CR_4) has increased from 35.5 in 2008 to 37.1 in 2012 (BNM 2008; BNM 2012). The scenario raises the question whether changes in the market concentration affects the performance of firms in the Malaysian general insurance industry?

The relationship between market concentration and performance have received increasing attention in the insurance sector (Pope and Ma 2008). Several studies have examined this similar relationship for insurance industries in European countries (Berry-Stölzle et al. 2011; Njegomir et al. 2011) and the United States of America (Choi and Weiss 2005; Pope and Ma 2008; Liebenberg and Sommer, 2008; Cole et al. 2014). Nevertheless, the results of these empirical studies do not reach a consensus on the relationship between market concentration and performance. Clearly, most of these previous studies have been carried out in the context of developed countries. Econometric analyses on the relationship between market concentration and performance in insurance industry in developing countries is scarce and minimally examined in Malaysia. The paper fills this research gap.

The paper aims to provide empirical evidence on the relationship between market concentration and performance in the insurance industry in the context of developing country, namely Malaysia. The rest of the paper is organized as follows. The second section presents the literature review of related research. The next section describes the data sources and the methodology, including the formulation of empirical model. Subsequently, it is followed by the presentation of empirical results in the fourth section. Finally, the last section concludes the paper.

2. Literature Review

The traditional Structure-Conduct-Performance (SCP) paradigm has been a central focus of analysis in industrial organization. In the SCP paradigm, the term of structure refers to market structure which is often measured using indicators of market concentration such as CR_4 . The term of conduct refers to the conduct of firms which include pricing strategies, collusion, advertising, research and development, and capacity development. The term of performance refers to the outcome or social efficiency, and is often proxied by profitability and price-cost margin. According SCP hypothesis, there is a positive relationship between market concentration and profitability (Cole et al. 2014). Larger firms in a highly concentrated market may collude to set a higher price, and hence this would lead to higher profit (Nabieu 2013).

Few studies have been carried out to examine the relationship between market structure and firm performance in insurance industry (Choi and Weiss 2005; Liebenberg and Kamerschen 2008; Cole et al. 2014; Berry-Stölzle et al. 2011). However, the results of these studies are mixed. Choi and Weiss (2005) find that the market concentration (HHI) has a positive impact on the insurers' profits for property-liability insurance market. Cole et al. (2014), in a study of health insurance, also observed a positive impact of market concentration on insurers' profits. In contrast, Berry-Stölzle et al. (2011) which conducted a similar study for European property-liability insurance market do not find any significant impact of market concentration on firm performance. Similar finding is observed by Liebenberg and Kamerschen (2008) who carried out their studies in the South African auto insurance market.

Beside market concentration, there are few factors that may affect firm performance have been considered in the literature. These include market shares (Foong and Idris 2012; Liebenberg and Sommer 2008), market growth (Berry-Stölzle et al. 2011), economic growth (Chang 2013) and government policy (Pope and Ma 2008; Njegomir et al. 2011). It is argued that firms with larger market share are able to enjoy lower costs and greater profitability because they are of greater efficiency in their operations (Cole et al. 2014). Empirical studies find that there is a positive impact of market share on firm performance (Foong and Idris 2012; Liebenberg and Sommer, 2008). Liebenberg and Sommer (2008) in a study of the effects of corporate diversification find that larger insurers perform better as the willingness of customer to buy insurance is higher for larger insurers due to lower insolvency risk.

Market growth may attract potential firms to enter the market. This may increase output supply, and lead to a drop in prices and hence profitability (Berry-Stölzle et al. 2011). Berry-Stölzle et al. (2011), in a study in European property-liability insurance market for the period of 2003-2007, have accounted market growth in their empirical model. Unfortunately, their results shows that market growth do not have a significant impact on firm performance.

Economic fluctuation may affect the demand and supply, and hence influence the performance of businesses (Chang 2013). Previous studies find that macroeconomic boom will enhance performance (Chang 2013; Chen and Chiu 2014). Chang (2013) in a study in telecom manufacturing industry, find that macro economy boom lead to better performance. Similar finding is observed by Chen and Chiu (2014) in the hotel industry in Taiwan. So far, none of the previous studies in insurance sector has accounted the role of macroeconomic conditions when examining the relationship between market concentration and performance.

According to SCP paradigm, government policies may affect structure, conduct and performance (Waldman and Jensen 2014). A few studies have examined the relationships between market structure, liberalization policy and market profitability (Pope and Ma 2008; Njegomir et al. 2011). The result of Njegomir et al. (2011), in a study in property-liability market of ex-Yugoslavia, supports the notion that government policies would affect the profitability of the industry.

3. Data and Methodology

The paper uses firm-level data made available from the Central Bank of Malaysia (BNM) and the Department of Statistics Malaysia to analyze the relationship between market concentration and firm performance in the Malaysian general insurance industry. The data is an unbalanced firm-level panel data covering the period from 2000 to 2012. After dropping outliers using the Cook's distance test, a total of 394 observations is used for final analysis.

To examine the impact of market concentration on firm performance, the study formulated a performance equation. Both LM Breusch-Pagan and Durbin-Wu Hausman tests are carried out to determine the appropriate model such as Pooled Ordinary Least Square, Random Effects (RE) and Fixed Effects (FE). Diagnostic tests are carried out to examine whether the model is subjected to the problems of autocorrelation, heteroscedasticity and multicollinearity. The specification of performance equation is as follows:

$$PERFORMANCE_{it} = \beta_0 + \beta_1 CR_{4t} + \beta_2 MS_{it} + \beta_3 MG_t + \beta_4 EG_t + \beta_5 2010_12_t + \varepsilon_{it}$$

where subscript i refers to insurer i , and t refers to the time period, and ε_{it} is the error terms for insurer i at time period t , and β_s represent vector of coefficients. The dependent variable

is firm performance (PERFORMANCE), which is proxied by the underwriting profit or loss for each general insurer at time t .

The independent variable of interest, the market concentration, is proxied by CR_4 , which is defined as the summation of market shares for the four largest general insurers in the industry at time t . The relative size of the firm (MS) is proxied by the ratio of total earned premium income of each general insurer to the total earned premium income of the industry at time t . The performance of the insurance industry is proxied by the market growth of the Malaysian insurance industry (MG). The market growth is measured by the rate of change in total earned premium income of industry at time t with respect to the total earned premium income of industry at time $t-1$. The economic performance of Malaysia (EG) is measured by the rate of change in real gross domestic product at time t with respect to the real gross domestic product at time $t-1$. A time dummy variable (2010_12) is included in order to capture the differences of firm performance between periods prior to 2010 and 2010 and after. The variable 2010_12 will take the value of one if the period is 2010 and after, zero otherwise. The year 2010 is selected since BNM has implemented the liberalization plan in 2009.

Table 1: The Empirical Results of Performance Equation

Independent Variables	Dependent Variable (PERFORMANCE)	
	OLS	RE
Market Concentration (CR_4)	375.6 (0.85)	127.0 (0.27)
Relative Size of the Firm (MS)	3035.2*** (3.26)	3537.5*** (3.96)
Market Growth (MG)	347.6** (2.34)	353.1*** (2.96)
Economic Growth (EG)	507.5 (1.67)	475.0** (1.75)
2010_12	6763.8* (1.96)	7999.3*** (2.49)
CONSTANT	-18514.9 (-1.27)	-11712.7 (-0.75)

Note: Durbin-Wu Hausman tests (p-value = 0.5051) and LM Breusch-Pagan (p-value = 0.0000) indicate that the random effect model (RE) is the appropriate statistical model. Following this, the discussion will be based on the results for RE model, and the results for OLS model is presented for comparison.

The results shown in the second column and third column are estimated by ordinary least square model (OLS) and random effect model (RE), respectively.

***, **, * indicate that the results are statistically significant at 1 per cent, 5 per cent, 10 per cent levels of significance, respectively

4. Empirical Results

Table 1 presented the results for the empirical model after adjusting the problem of autocorrelation and heteroscedasticity. A quick review on the results indicates that all variables have similar signs and the impact of independent variables is significant for both OLS and RE models with the exception of market concentration and economic growth (for OLS model only).

According to SCP hypothesis, largest firms in a highly concentrated market may collude in order to set a higher price and gain higher profit (Nabieu 2013; Chong and Chan 2014). Surprisingly, the results do not support this notion. The market concentration variable (CR_4) was not significant, indicating that market concentration do not affect firm performance. Similar finding is observed by (Berry-Stölzle et al. 2011; Liebenberg and Kamerschen 2008). One possible explanation is the Malaysian government has been strictly and indirectly monitored and governed the behaviour of firms via regulation such as Financial Service Act 2013 and Anti Competition Act 2010 (BNM 2014). As for the relative size of the firm, the coefficient of MS variable, as expected, yielded a positive and significant result on firm performance. This suggests that the larger the size of the firm to the industry, the better the firm performance. This similar finding is reached by Liebenberg and Sommer (2008) and Foong and Idris (2012). Firms with larger relative size are able to spread their risk across a larger pool of premium (SECP 2010).

The coefficient for market growth variable (MG) has a significant and positive sign. This suggests that the market growth in the insurance industry has led to higher profit enjoy by incumbent firms. Potential firms cannot freely enter the industry to capture growing output in the market due to the presence of barriers to entry in the industry. As for economic growth, the coefficient for EG has a positive and significant sign. This indicates that positive economic growth would enhance firm performance. Similar result is observed by previous studies (Liu and Zhang 2008; Chen and Chiu 2014).

As for time dummy variable, the coefficient for 2010_12 shows a positive and significant impact on firm performance. The result indicates that the underwriting profit after the implementation of liberalization plan is higher for period 2010-2012 as compared to that for period 2000-2009. Following the liberalization plan implemented by BNM, series of merger and acquisition activities (M&A) among insurers have been observed (Foong and Idris 2012). The incidences of M&A might have indirectly reduced the number of competing insurers, and further consolidate especially for smaller insurers would be resulted a significant efficiency gain in the insurance industry (Bikker 2012; Bikker and Gorter 2011)

5. Conclusion

The paper examines the relationship between market concentration and firm performance in general insurance industry in Malaysia. The analysis uses an unbalanced panel data covering the period of 2000-2012. A single equation is formulated to account for the variation of the firm performance and was estimated using the random effect model. The analysis shows that market concentration do not affect firm performance, and hence do not provide support to the SCP hypothesis of which higher market concentration would lead to better firm performance. A plausible explanation is that the insurance industry in Malaysia is governed by the government via regulation and hence the insurers could not freely change their prices unless approval from Central Bank of Malaysia is obtained. Nevertheless, firms with larger market and higher economic and market growth tend to enhance firm performance in the general insurance industry in Malaysia. The result also indirectly suggests that firm performance has significantly improved after the implementation of liberalization plan. To conclude, the variation of firm performance in general insurance industry in Malaysia during the period of study is mainly due to the market share, the market and economic growth, and the government policy. The study only discusses one-way causality from market concentration to firm's performance in insurance industry. Hence, feedback effects of SCP framework may be incorporated in future studies.

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Formulation of the Service Delivery Democratic Model (Case Study Implementation of the Citizens Charter in Public Health Service in Jayapura District, Papua Province, Indonesia)

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Abstract

Citizens Charter indicates the rights and services available to the public, service procedures, forms available services and community obligations that must be met. This paper is intended to formulate a democratic model of public service and appropriate for citizens charter in public health center implementation at Jayapura district, Papua Province Indonesia. The scope of the study is based on secondary sources, namely direct observation and indepth interviews as well as using a combination of descriptive and analytical methods. The results of the study showed that although the paper mainly bureaucratic reform public services have stepped into the right direction, the impact is less than expectations. Although improvements have been made in the service, the public continues to suffer from bureaucratic inefficiency, corruption and other problems, so it shows the gap between the rhetoric and reality of public management reform in Indonesia. The new public service paradigm put the citizens as citizens who have their rights to obtain adequate public servant. The democratic approach should put the service user at the center of attention. It is expected to be the opportunities and challenges for scholars interested in public management (*citizens charter*)-either in academics or policy makers, especially in the implementation in Jayapura district. Implementation of *Citizens Charter* will efficiently and effectively if attention to several factors: the campaign and dissemination of all stakeholders should be designed and carried out innovative, effective and sustainable to obtain a change of attitude and cultural wisdom; involving staff and citizens in each formulation and implementation.

Keywords : Implementation of *citizens charter*, Public health center, Democratic, New public service.

1. Introduction

Studies on Papua Indonesia can not be separated from the various phenomena of poverty, under development, marginalization of indigenous peoples and the conflict that continues to shackle until today. The condition was exacerbated by the weak capacity of local government, which is shown by poor governance (Blair and Philips, 2003), as a result of corruption, collusion and nepotism is rife and the implications for the poor of public services. According Mahmudi (2010) and LGSP USAID (2009), the public service is all service activities undertaken by public service providers as an effort to meet the needs of the public and enforcement of legislation.

Papua with abundant natural resources, occupies the poorest provinces in Indonesia based Human Development Index in 2013, with a score of 66.25 (compare Indonesia Human Development Index score is 73.81) (BPS, 2014a), while the number of poor population in 2014 reached 30.05% (BPS, 2014b), which means that number is more than twice the national poverty level in 2014, amounting to 11.25%. Meanwhile, the national maternal

mortality rate of 359 for every 100,000 live births in 2012 (Saputra, 2015). Disparities in coverage of births attended health workers in Papua Province in 2013, as a proxy indicator of maternal mortality, which is only 33.91% versus Indonesia coverage of 90.88% (Kementerian Kesehatan RI, 2013), the maternal mortality rate in Papua Province is estimated to far higher. In 2014, the government of Papua Province using the assumption that the maternal mortality rate of 422 per 100,000 live births. Jayapura district consists of 19 sub-districts, 144 villages, with 19 health centers. Currently the performance of health services is still not showing the improvement of health services, especially in health centers Jayapura district. Human Development Index at Jayapura District in 2013 with a score of 73.79 (compare scores with a score of 66.25 Papua Province and Indonesia with a score of 73.81) (BPS, 2014a). The number of maternal deaths are stagnant since 2010 to 2013 (4 people), while the number of infant deaths (0-12 months) tended to decrease, especially in the year 2013 only 5 infant deaths per 2,573 live births from 34 infant deaths per 1,963 live births in 2010.

The conditions show profanity severity of the condition of society as governance or governance is weak, so the hope to see the implementation of good governance in Papua was still far away. Governance is a series of decisions and governance processes are made to reflect social expectations through management or leadership by a democratic government through the will of the people. Good governance aspire to a prosperous society through good governance, free from corruption, to carry out the principles of good governance in all aspects of the activities of government, civil society and the business sector.

Paradigm of good governance, prioritizing processes and procedures, which in the process of preparation, planning, formulation and drafting a policy will always prioritize deliberation and done by involving all stakeholders. Involving stakeholders adhered to the principles of good governance such as participation, transparency, accountability, equality, law enforcement, effectiveness and efficiency and professionalism (LGSP USAID, 2009). Public service is a door that is appropriate to realize good governance, because public services directly in contact with the needs of society.

Voice of the people is assured through a broad consensus of the stakeholders is the application of democratic principles. Relation to the New Public Service lies in citizen involvement and community building. Citizen involvement is seen as part of that must exist in the implementation of the policy in a democratic system. Involvement covers all stages of policy formulation and implementation process. In this process, citizens feel involved in the process of governance, not only requires the government to satisfy their interests. Organization into a public space where people (citizens and administrators) with different perspectives to act together for the public good. Interaction and engagement with the citizens of this country that gives purpose and meaning in the public service (Denhardt and Denhardt, 2003).

In the aspect of good governance, community participation becomes key to the success of both service organized by the government and by NGOs. Full community participation will create a public service that really they need. In addition, no less important is the transparency in service delivery. Transparency will create a reciprocal relationship between users and service providers to the implementation of public services that promote the speed of time, the balance between rights and obligations. Reciprocal relationship is deeper can be contained in an agreement between the community and formal care providers. The agreement commonly referred to as a pact of service or Citizens Charter (LGSP USAID, 2009). Citizens Charter was first implemented in the UK in 1991, in the era of Prime Minister John Major as a national program, in which all national and local government organizations in the UK are required to define/collate customer service standards were made based on feedback from

customers who aims to continuously improve the quality of public services by responding to the wishes and needs of the user.

Citizens Charter is a public document that determines public expectations when transacting with a service provider. Consists of step-step procedure for the provision of certain services and the degree of performance, which ensures appropriate public get the service expectations. Citizens Charter showing rights and services available to the public, service procedures, forms available services and community obligations that must be met (Haque, 2005). It also empowers the community by giving them access to information on service standards institutions and providing solutions to society if they are not satisfied with the quality of service provided.

The results above show progress and promising prospects of application of the Citizens Charter. Collaboration strategy to build trust between providers and users proved very effective as an effort to improve the performance of public services. Fundamentally, the strategy of this kind of collaboration is certainly very much in line with the idea for the creation of good governance in Indonesia, including the challenges of implementation in the Province of Papua. The first level public service provider in the health sector is health centers. Public Health Center is an executive unit of health services in the sub-districts. Construction of health centers at the sub-district has a very important role in maintaining public health. When functioning properly, it will be able to provide quality services for the people who need health centers. Citizens Charter is a public service reform initiatives need to be implemented in the district/city, especially in the health center as a guide for action and ensure the functioning of public services is going well. Citizens Charter is expected to bring changes in the way health centers and staff provide services to its customers.

This study examines the implementation of the Citizens Charter in Jayapura district health center which is the district with the highest Human Development Index in Papua province through good governance approach. This study aims to Formulation of the Democratic Service Delivery Model (Case Study Implementation of the Citizens Charter in Public Health Service in Jayapura District, Papua Province, Indonesia).

2. Methodology

The scope of this study is based on a literature review and secondary data sources, especially relating to the implementation experience of public services and the implementation of the health sector in Indonesia Citizens Charter. Then direct observation and in-depth interview on the implementation of the Citizens Charter in Jayapura district health centers as well as using a combination of descriptive and analytical methods.

3. Results and Discussion

This study is in the realm of the paradigm of New Public Management and Good Governance. Both realm of the theoretical paradigm implication, practices, substance and form of citizens charter. The principles of New Public Management paradigm form; performance management, orientation to clients, focusing on results, quality management and market-oriented approach to describe a collection of citizens charter in the formulation and implementation. Results of the process of institutionalization of citizens charter described by elements supported by good governance, especially transparency, accountability, efficiency, effectiveness and participation. The principles of participation based on the paradigm of New Public Services (NPS) by moving the principles and order of the democratic process in its

application, particularly in the form of management mechanism handling complaints from users of public services.

Literature studies in several countries and regions in Indonesia, shows that the study of the application of the Citizens Charter is still limited to the aspects of transparency, accountability and quality in providing public services to the community. Research Acharya (2010) and Rojina (2010) in Nepal each with quantitative methods and mixed method; Mang'era and Bichanga (2013) in Kenya; Sharma (2012), both with a descriptive method, discusses the satisfaction and improvement of public services; performance and trust institutions; clarity of procedures and the handling of complaints; competence of staff and organizational structure; all of which are still discussing the aspects of transparency, accountability and quality in providing public services to the community. Results Sharma (2012), underlines that the results of the implementation of the citizens charter in the city of Chandigarh, India failed due to poor public participation. Research Hadiyanto (2014) using mixed method, which discusses the minimum service standards (SPM) related to quality; Research Nuswantoro (2013) uses quantitative methods. The study discusses the implementation steps Citizen Charter, constraints and supporters in health care institutions (health centers, hospitals and districts health office), especially in East Java. The whole study is also still discussing the aspects of transparency, accountability and quality of health care institutions.

Democratic public service model in formulating the Citizens Charter in health centers in the District of Jayapura, in addition to discussing and researching aspects of transparency, accountability and quality; but also aspects of participation and community involvement process, and engage and participate in the implementation of the Citizens Charter in a public service institution, which is the application of the New Paradigm of Public Services in the public service.

Figure 1
Framework Model Formulation of Democratic Public Service
in the District of Jayapura Health Centers

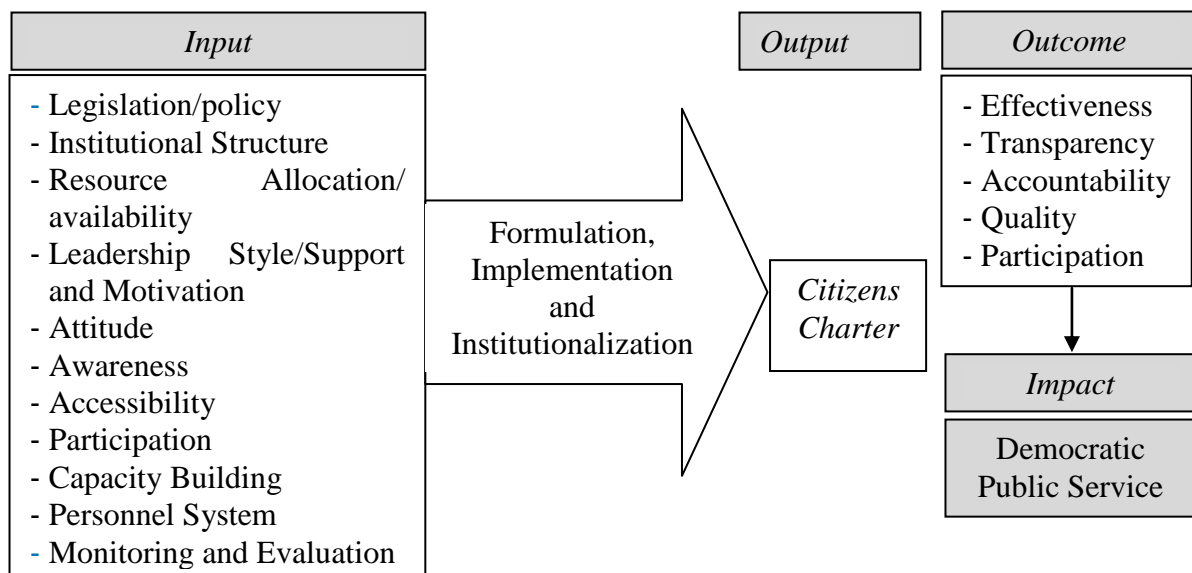


Figure 1 illustrates the framework of a democratic model of public service. On the input side; conception citizens charters, the institutional structure factor and actor that there is an important factor in facilitating the formulation of citizens charter. Actor contribute technical, financial, human resources and legislation/policy in its formulation (Mang'era and Bichanga,

2013; Acharya, 2010; Azizah 2008; Sharma, 2012). According to Acharya (2010) the provision of services will be inefficient if there is a gap of resource availability and capacity of the public administration, so that the institution becomes ineffective service providers.

Meanwhile, according to Azizah (2008), leadership is one of the important factors, including commitment, coordination and adaptation. Commitment to the formulation and implementation stages will affect the implementation of the citizens charter by leading officials in the service. Institutionalization process which is defined as a process of internalization to bring new values, norms and attitudes of behavior required in the implementation of the Citizens Charter (Azizah, 2008; Nuswantoro, 2012). Azizah (2008), also stated that the implementation stage, the awareness of local officials to the citizen charter is very necessary (PAC, 2005). Similarly, public participation will be key to the success of service; full community participation will create a public service that really they need (Sharma, 2012). Thus, in the public service should pay attention to some specific principles, namely: simplicity, clarity, certainty of time, accuracy, security, responsibility, completeness infrastructure, ease of access, discipline, friendliness, courtesy and comfort (Soeprapto, 2005).

Azizah (2008); (LGSP USAID, 2009; Center For Good Governance India, 2008) showed that the training system is an important factor as well, which helps officers to adapt to the new values and behaviors required, thus allowing the transfer and internalization of new values, norms and behavior. To prevent the influence of non-long training of the staff, Azizah recommend for instituting programs reward and punishment mechanism, communication, monitoring and support office facilities were good. Billyastuti, Gani and Domai (2013) stated that in order for optimal application of citizens charter advised to involve elements of society in the supervision and oversight. All aspects of the inputs mentioned above are aspects that are required in the formulation, implementation and institutionalization of the Citizens Charter, in the aspect of output (Center for Good Governance India, 2008).

In the outcome, the organization that implements the Citizens Charter impact on the effectiveness aspect because it has been able to realize its objectives. This is understandable because of the existence of adequate inputs mainly due to the adequacy of infrastructure and human resources. In the aspect of transparency will create a reciprocal relationship between the users and providers of care, until the implementation of public services that promote the speed of time, the balance between rights and obligations. Aspects of transparency with regard to disclosure of information access and standards (LGSP USAID, 2009). The application of citizens charter would encourage users to be more assertive and daring to make a complaint, so it will increase accountability on the side of the people. According to Azizah (2008), the application of the charter would encourage citizens to become more quality public services for the use of the certainty of the time, executive staff polite and helpful, as well as citizens charter documents displayed in informative and communicative.

The transparency is establishing freedom of information where processes, institutionalization and information are directly accessible to those who need it. According to Azizah (2008), the transparency in the provision of services in the city of Jogjakarta birth certificate has not fully happened. Transparency of service measured using the charge. Knowledge of standard costs necessary to achieve transparency, so it is important to inform that they have the right to ask for a receipt. Observations on March 17, 2015 in Sentani Health Center Jayapura District show that service standards (SS) have not been applied in the implementation of service to the community, but some of the Standard Operating Procedure (SOP) has been arranged. service standards (SS) also informed about the amount of fees required to obtain service.

The accountability is the mechanism's ability to answer/complaint on decision-making in government, private sector and civil society organizations to the public stakeholders. Research complaint handling mechanisms by PAC (2005) in Bangalore India, concludes that the handling of complaints mechanisms are the most effective; the availability of information and a place to complain, the personnel handling, complaint format, deadline to respond to the complaint, the guarantee against the actions taken and recognition. The existence of feedback is one measure of accountable government. PAC study (2007) in India showed that service users were not given space to provide feedback. More than 84% of respondents did not have an opportunity to provide feedback to officials in charge of the service. This shows end users are rarely consulted when designing, implementing, or updating the type of service. Observations on March 17, 2015 in Sentani Health Center indicate that the application has not been effective complaint handling mechanism.

The quality is the totality of features and characteristics of the products or services that ensures its ability to satisfy stated or implied needs. According to PAC (2005) the behavior of staff in government service agency in Bangalore India went well. The majority of citizens charter document is not available to the public and can not be accessed by the public. Most of the staff are not able to obtain a copy upon request. Only a few offices were displaying citizens charter on the bulletin board. Even if there is place it on the bulletin board, is not seen by the user when entering the office and its contents are less communicative. In a study of citizens charter in the City of Yogyakarta, the quality of service is measured using the certainty of time. Azizah study (2008) revealed that the staff has to know that the service should conform to the standard service time has been determined, but due to lack of computer facilities, this service is often violated. According to researchers, the standard of service time who have been determined not known by people. Observations on March 17, 2015 in Sentani Health Center showed that the behavior of the staff is generally polite and helpful, the document is displayed charter common citizens but not seen by the user when entering the office and its contents are less communicative and does not display the certainty of service time.

According TUGI-UNDP (2003), is an effective and efficient process and institutionalization which produce output that meets the needs and make the best use of resources. Infant mortality (0-12 months) in Jayapura tends to decline in 2013 due to the increasing cases of high-risk neonates are cited in 2013 (34.88%) of 20.36% in 2010. Similarly, increased coverage of the village with Universal Child Immunization (UCI) is 79.86% in 2013 from 69.01% in 2010. The number of maternal mortality in absolute terms stagnant since 2010 to 2013 (4 people), due to the prevalence of pregnant women visit and mother high risk pregnant mortality yet to show significant progress from 2010 to 2013, despite an increase in births attended health workers. Quality of service of births attended by health workers may be the cause of a still stagnant number of maternal mortality.

In the aspect of participation (PAC, 2007), its application based on the principles of participation that is based on the paradigm of New Public Services (NPS) by moving the principles and order of the democratic process, particularly in the management handling mechanism of complaints from users of public services. Public involved to participate in defining, planning, supervising and evaluating the actions taken, in order to ensure that the public continues to be the center of the actions of government institutions (ESC UN, 2004). Institutions that apply the principles of participation based on the paradigm of New Public Services (NPS) is an institution that has adopted a democratic model of public service (Denhardt and Denhardt, 2003).

In the aspect of good governance, community participation becomes key to the success of both the service provided by the government or NGOs. Full community participation will create a public service that really they need. Reciprocal relationship is deeper can be contained in an agreement between the community and formal care providers. The agreement commonly referred to as the pact service or Citizens Charter (LGSP USAID, 2009). Observations dated March 17, 2015, at the Sentani health center, Jayapura District, was formed Multi Sector Forum (MSF) to create a reciprocal relationship between the users and providers of health centers. MSF was formed as a collaboration strategy to build trust between providers and users effectively in an effort to improve the performance of public services. According to the observations, the performance of these institutions is not maximized, especially the management of complaints mechanisms. Management of complaint mechanism is the application of the principles of public participation in public services in health centers democratically.

The quality of public services will be maximized if the implementation has been in accordance with the principles of good governance : transparency, accountability, quality of service and effective and efficient as well as community participation. Nuswantoro (2012), states that the impact of the changes on the results of the implementation of good governance in the Kauman Tulungagung health center in East Java Province is; 1) Increased benefits services directly to the public; 2) Change the paradigm governing the services of the health center into a community-health centers that meet the expectations of society; 3) Changes in mindset on the entire staff of the service-oriented service user satisfaction.

4. Conclusions

Public services in health Jayapura District still not implementing the principles of effectiveness, transparency, accountability, quality and participation as a form of democratic public services. The performance of public services in health Jayapura District would be hard to contribute to the improvement of maternal health and reduce mortality in infants and children in Indonesia when Citizens Charter have yet to implement the mechanism. Suggested implement policies and regulations that require the county level in the area of health care management refers to the standard of service.

Citizens Charter implementation will be efficient and effective if attention to the following factors : campaigns and socialization of all stakeholders should be designed and carried out innovative, effective and sustainable to obtain a change in attitude and attention to local cultural wisdom; involving staff and citizen in any formulation and implementation of the Citizens Charter; the reform process must be carried out one by one and; Implementation of Citizens Charter has a structured mechanism on monitoring and evaluation, and preferably through an independent agent.

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Analysis of Financial Statements of Local Government on Corruption Level in Indonesia

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Abstract

Regional autonomy is basically given to the area which can be improved on the efficiency, effectiveness, and accountability of local governments to achieve better governance. Decentralization and regional autonomy has been an increased corruptions' tendency in local governments. Unqualified opinion by the government auditor on financial statements of local governments does not guarantee that there is no corruption. It becomes a criticism or warnings for accountants and auditors in particular, because of unqualified opinion shows that the financial statements of local government are free from material misstatement, but in the real facts of many cases were found in the financial statements of local governments (LKPD). Empirically, the results of this study proved that the characteristics of government (regional wealth, regional dependency rate, total assets), the complexity of government (the regional population, total of official government entity (SKPD), the government accountability level (auditor opinion, the weakness of the internal control system, compliance with legislation of financial statements of local governments), financial performance (independence ratio, and the ratio of growth), there is no influence on corruption level in Indonesia, and the government accountability level (compliance with legislation of financial statements of local governments) there is influence on corruption level in Indonesia.

Keywords: financial statements of local governments (SKPD); corruption level.

1. Introduction

Autonomy and decentralization which are displayed in Indonesia since the enactment of constituent's law No. 22 of 1999 year. The basic autonomy area given to region which can improve of the efficiency, effectiveness, and local government accountability to achieve better governance. Creation of local governments were responsible for its own expectations for the society, thus, it's create an accountability system of local government as the entity that can manage and response to regional assets use. But in some many corruption cases were prevalent in local government. The organization survival will be determining by the organization disclosure ability to all interested parties (stakeholders). Government Accounting Standard (SAP) in 2005 year and in 2010 year became a milestone for the public nature of the accounting sector as an Indonesian independent has more than 60 years but the government accounting standards with full accrual basis is made. With the enactment Government Regulation No. 71 in 2010 year (accrual- SAP based) which has been revise of Government Regulation No. 24 in 2005 (SAP cash towards accrual) that is not enforced, there are rules which may be enforced and will certainly experience difference in the financial statements of local governments . It is certainly experiencing a lot of difficulties because of this financial statements of local governments for more than 60 years its disclosure using the cash basis, only lasted about 10 years (2005-2014) using the cash towards accrual basis of the implementation is done gradually. The specific objective of the research is to provide direction for the financial statements of local governments disclosure of Indonesians' research.

Some previous studies which related to the disclosure of the financial statements of governments that is from Ingram (1984), which examined the economic relationship factors such as (Voters coalition, the administrative selection process, Information alternative sources of management incentives information) and politics in government accounting which is applied in the United States. Research that is conducted by Laswad et.al. (2005), is also found that the wealth of positive territory and significantly associated with the level of disclosure of financial statements of the district /city. Heriningsih (2013) in his study, the regional wealth level, administrative complexity, the number of findings, the deviation level has a significant effect on the disclosure level of LKPD, while the regions with the central level of dependency and type of effect area was not statistically.

2. Problem Formulation

Disclosure of the financial statements of local governments (LKPD) is really essential, thus if the affecting corruption factors level, the research is very important for doing investigation. This research proves whether unqualified opinion (WTP) of financial statements of local governments shows many corruption.

3. Review of Literature

Reforms which had occurred in 1998 give changes of the discourse in the local government financial report such as (counties, towns and provinces), for example, regional autonomy implementation and the decentralization. According to regulation of the accrual basis in the financial statements of local governments (LKPD), then the government expended Government Regulation 71 of 2010 (PP No.71 in 2010) which managed government financial accounting standard (SAP) instead of Regulation of money cash standard to the accrual based on regulation constitution No.24 in 2005. Accrual accounting is expected to support implementation of the accountability and transparency. The financial statements of local governments which has accountability and transparency will require accounting accrual application which is in international best practical. Accrual accounting considered more likely to be applied to financial recording application fair report. These results should be reviewed because there was no similar empirical studies which support or conforming to the research results. Disclosure of the financial statements of local governments becomes a vehicle for the financial statements of local governments (LKPD) transparency report. In with this disclosure index is expected to occur in the local government transparency system and accountability in local government, corruption expectations must be identified early. Thus, if it's the financial statements of local governments on the accrual basis, the humans need government operation information's as well as asset and liability positions are filled better. But if there is legislation statutory which resulted in cash-based financial presentation report, financial report must be presented by using a cash-based.

3.1 Local Government Corruption Level

The corruption level in the certain area is very difficult to identify. Indeed, most corruption that is still happening because of corruption's nature itself, which is a deliberate hidden act. In this study, the corruption level that is used to modify the index figures corruption perception which is published by Transparency International Indonesia. The corruption perception index (CPI) scores between 1 and 10, where 1 (the level of corruption in a lot of areas), and 10 shows that (the level of corruption in the region a little). On the research based on the later number of indexes corruption perception = 1 is assumed (Level of corruption is 10), and also by using CPI = 10 then (the level of corruption is 1). (Heriningsih, 2013).

3.2 Variable Measurement Research

Characteristics of governments in this study was measured by the regional wealth, the total asset and the regional dependency rate, when in association with the disclosure level there should be a positive relationship between the regional wealth and the assets total of corruption level, but it should be a greater wealth than the region, there a tendency that the greater corruption level can occur in local government as expressed on Heriningsih (2013), in Ingram (1984), in Laswad et.al. (2005). Robbins et. al. (1986) stated that the regional dependency level of the government municipal positively and significantly associated with the disclosure rate of city's the financial statements of local governments (LKPD). It means that the greater regional dependency rate, the greater level of disclosure is made by the financial statements of local governments (LKPD). When connecting with corruption cases, the regional dependency rate will influence local government to do corruption in that region.

The Complexity of Government in this study is to measure the the regional population, and total of official government entity (SKPD). Heriningsih (2013) found that the regional population and significantly correlated with the disclosure of the financial statement of financial statement. Ingram (1984) in Robbins and Austin (1986) also found a positive relationship even there is no significant effect on disclosure level. The regional population total is a proxy of the complexity of government. The greater complex disclosure of government they should be done. With the increasing complexity of government there is a possibility of corruption tendency is more likely to occur. The total number of official government entity (SKPD), the government showed a more complex government system is in running of the government. There will be more business is a priority for the local government, It will be more complex the government to conduct its activities. The greater owned of official government entity (SKPD) it could be owned of the government complex increasingly. The more complex is made the greater local government level, thus, that the preparing process of the financial statements of local governments (LKPD) becomes more complicated and difficult. Thus, it can lead to tendency to corruption level.

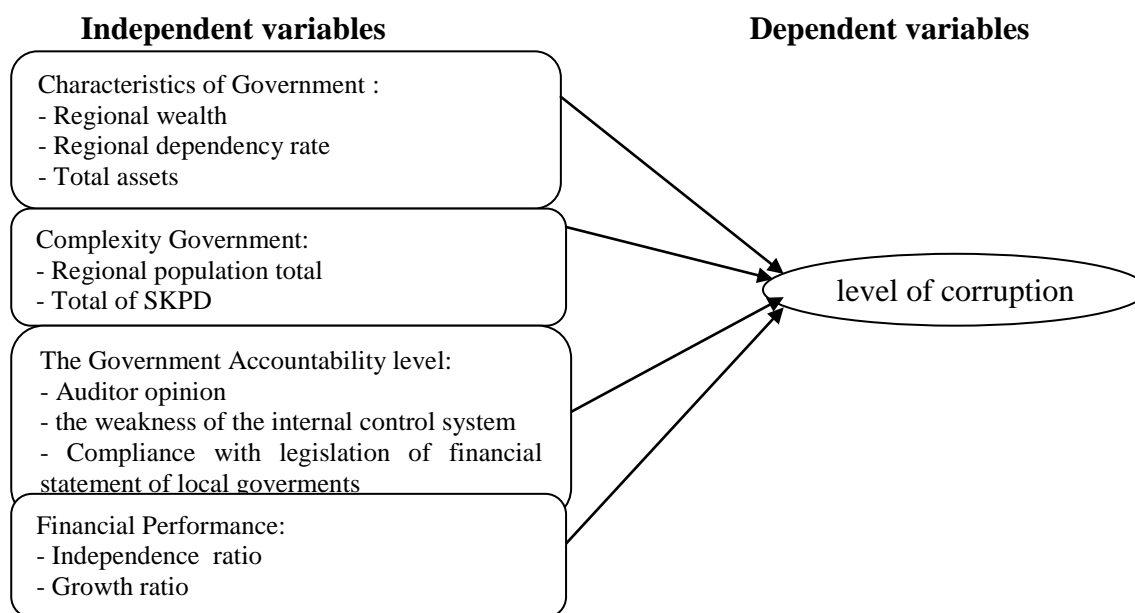
The government accountability level consists of three indicators audit opinion such as, weakness of the internal control system. Logic reasoning is that if the better opinion audit should be make the corruption lower level or nonexistent, or it can be said there is a negative relationship. While the weakness level in the internal control system is also described in the audit report, reasoning of internal control system (SPI) if there is a weakness the tendency for corruption may occurs. Thus, it can be said that there is a positive correlation to the corruption level. Similarly, in accordance with the legislation rules that are set out in the irregularities case would reduce to corruption level.

Financial performance in this study uses independence ratio, and the growth ratio. The better independence ratio and the the growth ratio in the certain area surely has lower corruption level. Basically there is a negative correlation between the financial performance on corruption levels.

4. Hypothesis

This hypothesis in researchers that the Government characteristic factors are (regional wealth, the regional dependency rate, and total assets), the complexity of government (population total, the total of official government entity (SKPD), the government accountability level that are (auditor opinion, the weakness of the internal control system (SPI), compliance with legislation of the financial statement of local governments) and financial performance (independence ratio, and growth ratio) can effect on corruption level.

Research Model



5. Results and Discussion

This study uses secondary data in the financial statements of local governments (LKPD), while local government corruption level. The population in this study is some districts and towns that had been government audited. By using purposive sampling method then obtained 48 counties and towns sampled. Table 1 below is a table of sample selection.

Table 1: Sample Selection

Populasi: Total local government (city, districts, province) in Indonesia in 2010.	539 (city, districts, province)
Local governments do not have the audit report on the financial statements of local government in 2010	16 (city, districts, province)
Total regional government (province) in Indonesia in 2010	33 province
total local government (cities and districts) in Indonesia in 2010 that do not have a corruption perception index.	442 counties and cities
The observation sample number	48 counties and cities

Source: Heriningsih, 2015

5.1 Hypothesis Testing

Here are the results of multiple linear regressions that is obtained the following result

Table 2: Hypothesis Testing

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-4.394	20.037		-.219	.828
Ln of regional Wealth (X1)	-.721	5.541	-.048	-.130	.897
Regional dependency rate (X2)	-.056	.948	-.012	-.059	.954
Ln total asset (X3)	1.832	3.411	.153	.537	.595
Ln regional of population (X4)	2.188	4.024	.240	.544	.590
Ln total of official government entity (X5)	-.371	.233	-.297	-1.593	.120
Auditor Opinion (X6)	.063	.245	.042	.259	.797
Ln the weakness of the internal control system (X7)	.190	.193	.170	.989	.330
Ln compliance with legislation of SKPD (X8)	.398	.177	.386	2.252	.031
Independence ratio (X9)	-.947	.548	-.349	-1.726	.093
Growth ratio (X10)	.093	.704	.031	.133	.895

Source: Heriningsih, 2015

Dependent Variable: Corruption Level

Statistically significant at 5 percent significance level

Table 2, it can be explained that nine variables was not statistically affect the level of corruption and only one statistically affect the level of corruption. The model equations based on the results of multiple regression testing, are as follows:

$$Y = - 4.394 - 0,721X1 - 0.056X2 + 1.832 X3 + 2,188 X4 - 0,371 X5 + 0,063 X6 + 0.190X7 + 0,398X8 - 0,947 X9 + 0,093 X10$$

Government characteristics was measured by the ratio area showed that the regional wealth of 0.897, with a variable ratio of wealth it means that area statistically no effect on the corruption level. For the characteristics government is measured by the regional of dependency rate as indicated by a significance level of 0.954, indicating a statistically no effect on the level of corruption (not support the hypothesis). Based on the regression equation, there is a negative relationship between the government characteristics (regional wealth and regional dependency rate) against of corruption level. It is possible that the regional dependency rate as measured by the ratio of the transfer of funds to the total revenue, which is mean that the possibility of determining the equalization budget fund (fund transfer) in the town or district no / lack of monitoring from the center, because it's better monitoring the quality of disclosure financial statement of local government.

Government characteristics which are measured by total assets showed no statistically significant with p value 0.595. This is because the number of government-owned assets fairly large, but many problem that in the management of these assets, and the lack of understanding of local government in its reporting. Thus, it is very likely to occur in testing the hypothesis that the total assets of this study were not statistically affecting local government corruption level. If the results of the regression model it then there is a positive correlation between the total assets of the level of corruption in LKPD.

The complexity of government is measured by the regional population that is has a value of 0.590 means it is statistically significant does not support the hypothesis, as well as the complexity of government as measured by the total official government entity (SKPD) also show the same thing with p value 0.120, which means that the variable the total official government entity (SKPD) is as not support the hypothesis. The government accountability level is measured by the auditor's opinion indicates p value 0.797, which means that the variable was not affect auditor's opinion statistically of local government corruption level. This is because most local governments either get a reasonable opinion and that is not fair though, tend to be the same in disclosing its financial statements in LKPD. While based on the regression equation then there is a positive correlation means that if LKPD obtain WTP the level of local government corruption levels can be possible also a lot going on, this is because LKPD either get a reasonable opinion and that is not fair though there are still many cases tend to be the same corruption.

The level of government accountability as measured by the weakness of the internal control system result also indicates that is not support the hypothesis. This is possible that the tendency of local authorities reporting good LKPD which gained deviation rate and deviation degree of SPI slightly, both are likely to have an indication to have cases of corruption, without seeing much or little in irregularities control system. Based on regression testing it can be concluded that findings of the internal control system number will be positively related to the corruption level in local government.

The accountability government level is measured by the level of compliance with the legislation of financial statement of local governments indicates the number of p value of 0.031, its can be conclude that statistically support the hypothesis. While based on equation regression models, showing the level of compliance with the legislation SKPD a positive effect on local government corruption level. This indicates that if the local government financial reports disclosed the existence of violations of the law occur / exist then it could be happened also indicated corruption cases in local government.

Financial performance is measured by the independence ratio showed the p value of 0.93 which is mean insignificant or no effect to local government corruption level. And when it can be seen from the regression equation suggests there is a negative relationship with the level of corruption, which has mean more independent then it will not possible doing corruption. While financial performance was measured by the ratio of growth showed the p value 0.895, so it can be concluded that there is no influence of the ratio of growth to the level of corruption in local government.

6. Conclusion

Based on hypothesis testing shows that the characteristic variable levels of government (local wealth, the dependence level and total assets), complexity government variable of (regional

population and total official government entity (SKPD), and the government accountability level (audit opinion, and the weakness of the internal control system,), financial performance variables (independence ratio and growth ratio) was not statistically affect to the level of corruption, counties and some cities in Indonesia. And the government accountability variable level of measured by (compliance with legislation of financial statement of local governments) shows the effect on the level of local government corruption counties and cities in Indonesia.

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Getting the Right Candidates: A Case Study of Five Public Sector Organizations Selection Criteria

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Abstract

Getting the right candidates is of utmost importance to public sector organizations that strive to attain organizational and public interests' goals and objectives. As public sector organizations differ in their objectives, missions and visions, their employees must be able to fit with, as well as meet, the internal and external demands placed on the organizations concerned. Face-to-face interviews conducted with fifteen officers from five public sector organizations reveal that using the most appropriate selection criteria as well as varying the weighting of the different elements involved, facilitate the identification and selection of the right candidates needed for the different vacancies that require filling. However too much emphasis on the interview process as a means of selection, insufficient knowledge of the specifications, contexts and demands of the jobs, personal and ideological biasness, inadequate experience and training as interviewers, time constraints, as well as inadequate measures taken after the selection process, have resulted in the subsequent and gradual mismatch between some of the candidates selected and the respective organizations, over time. Such incidences can be minimized from occurring through the adoption of continuous and rigorous measures that will enable the candidates selected to adapt to the changes in tasks' specifications and demands as well as organizational evolvments and public demands.

Keywords: Right Candidates, Selection Criteria, Public Services

1. Introduction

It is of paramount importance that civil servants be competent, conscientious, efficient, effective, trustworthy and dependable so that the aspirations, needs and objectives of the public services as well as that of the citizens and the nation, can be achieved in line with economic, political and social continuous evolutions. However the diverse nature of the public services as well as the multitude of functions that civil servants perform make the task of selecting the right candidates a challenging one; as not only do they need to have the required credentials but they must also have the right aptitude, disposition and commitment to public service beliefs and values that are manifested by public service practices resulting in the upholding of public interests (Rayner, et. al, 2010). Moreover, the integrity and validity of the different selection methods, the appropriateness of different methods to the different organizational requirements and how they are utilized by the selection panels, are important influencing factors at predicting the candidates' future job performances (Schmidt and Hunter, 1998).

1.1 The public services in Malaysia

The diverse nature and functions of the public services are illustrated by Article 132 (1) of the Constitution of Malaysia that defines the public services as comprising the armed forces, the judicial and legal service, the general public service of the Federation and that of each State, the joint public services as stated by Article 133, the police force and the education service. Based on the definition of public services used, at the end of 2014, the number of civil

servants in Malaysia stands at 1,606,463 people (Parliamentary Answer, 9 April 2015). As Malaysia strives to attain the status of a developed, high income country by the year 2020, the success of fundamental transformations that entail renewing, reforming and rebuilding the structures and administrative procedures of the public services as outlined by the Public Sector Transformation Plan (2010) relies, more than ever, on civil servants possessing the required levels competency. Indeed in the efforts to increase the quality of services provided by the public services, competency-based human resource practices have been introduced as early as at the end of 2002 (PSDM, 2004). Yet, from 2000 to 2012, the number of complaints received by the Public Complaints Bureau show a predominantly upward trend; with absence or delay in taking actions, unsatisfactory quality of service provided, the perceived partiality and unfairness of actions taken, civil servants' misconducts, misappropriations and power abuses, ignoring set procedures and enforcement failures, being the major causes of public grousers (PCB 2000 to 2012 statistics; Noreha Haji Hashim, 2013). However it cannot be deduced from the statistics whether the civil servants involved are those selected before or after the introduction of the competency-based recruitment and selection procedures.

2. Appointing authorities and the personal attributes and skills of prospective civil servants

The civil servants who work at the Federal, State or Local Government levels are appointed by different appointing authorities responsible for each of the services e.g., the Armed Forces Council, the Police Service Commission, the Federal Public Service Commission, the Public Service Commission of each State, the Education Service Commission as well the Judiciary and Legal Service Commission. These Commissions perform the very important function of inspecting incoming human resources into the public services by ensuring that only those of quality are admitted (Ahmad Sarji, 1993). Although Federal and State statutory bodies and local governments are not parts of the general Federation, State or joint public services if Article 132 is strictly interpreted, the extent to which circulars, directives and instructions issued by the Public Services Department Malaysia (PSDM) have been adopted by their management boards on matters pertaining to appointments, career developments, pensions, remunerations, promotions, terms of service and training, have led to most of them being perceived and treated as parts of the public services; the exception being those public entities with separated remuneration schemes and are released from the need to seek the approval of the PSDM and other Federal Agencies on such matters (PSDM official website, 2015). The jurisdictions of these appointing bodies include not only job appointments but also matters pertaining to confirmations, pensions, promotions, transfers and disciplinary actions of civil servants.

The Federal Public Services Commission, whose jurisdictions encompass the general federal public services, the general joint public services and that of the state public services of Melaka, Negeri Sembilan, Perlis and Penang, specifically states that the qualities prospective civil servants must have are the ability to perform administrative and management tasks relating to the public services in an effective and efficient manner so as to meet the needs of the nation (PSC official website, 2015). The process of recruitment begins when the PSC receives formal application letters from the Ministries/Departments concerned regarding the types, job descriptions and number of vacancies needed filling. Candidates applying through the PSC online system have equal chances of being selected for the positions applied for irrespective of their races, religions, birth states, sex or educational institutions attended. Those with excellent academic qualifications, able to meet all the requirements of the service schemes and selection criteria as well able to perform satisfactorily during the interviews

and/or tests, have higher chances of being appointed. The PSC would give priority to those qualified in the reserve category of its databank (PSC official website, 2015). Those applying for jobs at statutory bodies or local authorities submit their applications directly to the entities concerned, and selections are based on the suitability of candidates to facilitate the attainment of the objectives, missions and visions of the statutory bodies or local authorities concerned.

3. Objectives and Methodology

The objectives of this study are threefold, namely: (a) to identify the selection criteria used by these public sector organizations in their quest to get the right candidates for their organizations; (b) to analyze the constraints that they face in their quest for such candidates; and (c) to determine the actions that can be taken to maintain and enhance the suitability between the candidates and the organizations. Library and internet resources have been used to gather background information, in addition to fifteen face-to-face semi-structured interview sessions conducted with senior officers from three federal and state public services entities, one federal statutory body and one local authority, for primary data. These interviews were conducted in Kedah and Pulau Pinang.

4. Findings and Discussions

As expected, the three federal and state public services entities rely on the PSC to handle matters pertaining to the registration, screening, listing of appointed and reserved candidates, the scheduling of interviews and the issuance of job offers in line with the requests that have been made. Requests are based on the number and type of vacancies, the number and duration of existing staff willing to shoulder the responsibilities of the vacant posts, and the urgency with which these vacancies have to be filled. They mention their complete faith in the PSC to choose candidates who meet the job specifications as well as possessing the traits, abilities and dispositions for public service as the methods used by the PSC to screen candidates can also include areas of expertise, Cumulative Grade Point Averages (CGPAs), successfully passing special tests or examinations, as well as physical endurance tests if needed. They would then provide guidance and orientation to the candidates chosen so as to familiarize them with their work environments, organizations' expectations, missions, visions, goals and objectives, as well as the tasks at hand. However they concur that the true colors and the suitability of the candidates selected with the needs of their organizations, are only known after the successful candidates have spent some time working for the organizations. Indeed most selected candidates tend to work hard during their probation periods but unfortunately there are some who gradually become complacent, disregarding rules and regulations and withholding their best efforts when they have been confirmed in their posts. A respondent says that the effective supervision of, and control over, numerous civil servants in various sections, divisions and units of a huge organization is problematic especially if the work culture and ethos lack professionalism and integrity. Moreover the heads of units, divisions and sections might be reluctant to take disciplinary actions against the transgressors, unless the transgressions are so severe or criminal in nature.

The respondents from the statutory body and local authority say that their HR divisions conduct their own recruitment and selection processes. Consultations with the relevant heads ensure that their specific HR needs and requirements are better met. Moreover the delegation of some of the selection functions to heads of divisions ensures that only those who have passed the initial screenings there would be called for interviews at the organizational level. The initial screenings at the lower levels enable candidates to be assessed within the specific

working environments that they are expected to operate in; thus effectively addressing instances of selected candidates turning down job offers because of unfavorable designated locations of postings or successful candidates applying for alternative locations soon after being appointed; as exemplified by some candidates that have been selected by the PSC for the three federal and state public services entities.

As the statutory body and local authority are more restricted by their financial circumstances (as influenced by their income generating capabilities), they have to be mindful of the costs and efforts of recruitment and selection; unlike the three federal and state public services entities that are substantially relieved of such burdens. Hence they are more cautious when entertaining demands for new staff and tend to favor the use of contract staff or re-hiring those who have retired on a contract basis; as these are considered as effective means to avoid long term financial commitments and reducing the costs associated with training and career developments. The transferring and retooling of existing staff from similar or different parts of the organizations as a means of coping with staff shortages are also favored options. The reasons being the costs and efforts of retooling can be incorporated with slight adjustments to the existing costs of training and career developments of existing staff, whilst internal transfers can be swiftly implemented.

While the statutory body and local authority are mindful of PSDM's circulars, directives and instructions, the fact that they are in charge of their own recruitment and selection processes have provided them with the opportunity to acquire skills and knowledge in this important aspect of human resource management (HRM); something that the three federal and state public services entities are denied of given PSC's centralized control over intake into the public services under its jurisdictions as well the need to prevent duplication of efforts and resources. Indeed it would be beyond the statutory body and local authority's capacities to match PSC's capacity of allowing each candidate to apply for up to 15 different job options according to his or her respective interests and qualifications. Although this can adversely affect their pools of potential applicants, they believe that they do not require such huge pools. They also agree with their three federal and state public services counterparts that only time can reveal the true nature and the suitability of the candidates selected with the needs of their organizations. Successful candidates, like organizations, can change for the better or for the worse, and they do use a variety of psychological, physical and personality tests befitting the job specifications, in order to get the right candidates.

The respondents from the five organizations also agree that although the candidates' qualifications are important, they also look for enthusiastic candidates who can function well individually and as a team, possessing ethics, integrity and good communication skills, able to offer innovative ideas, cautious and prudent within reasons while performing their tasks, disciplined, neat and tidy in appearance, dedicated and hard working, with good personality, confident but not arrogant, flexible and adaptable to organizational changes and needs, willing to be trained and actively seek new knowledge and skills. In some circumstances, previous job experience can be used to augment the shortfall in formal qualification possessed. The different job specifications determine the weighting of the different elements of the selection criteria used. As such the interview process provides an invaluable avenue for face-to-face evaluation of the candidates to be conducted based on the selection criteria adopted. In the case of the three federal and state public services organizations, interviewing panels can be exhausted because of the need to interview so many candidates over a limited period of time; so much so that a respondent confided that after some time he could only see a sea of blurry faces and hear incessant murmurings.

Moreover although job specifications provide useful guidelines as to the suitability of the candidates, the dynamism of the contexts and demands of the jobs also influence the subsequent “fit” between the candidates and the organizations; an aspect that cannot be adequately addressed during an interview – although occurring at a lesser degree at the statutory body and local authority. They believe that interviewers are not completely free of personal and ideological biasness that can cloud their perceptions on who they think should be appointed to serve their organizations, the country and the people. A respondent says that in cases where candidates have performed equally well, he tends to rely on his intuition, developed as a result of years of being an interviewer, to select the successful candidate. However despite his personal convictions, the accuracy of his intuition has not been empirically proven. They also agree that the subjectivity of the selection criteria can lead to different interpretations by different people, e.g., a disciplined person can be viewed as being rigid or overly strict, while those who are flexible can compromise rules, procedures and standards when getting the job done.

The respondents also agree that despite the various tests employed, all of them are limited in their capacities to accurately predict the future behaviors of the candidates selected. Hence more proactive and consistent measures must be taken after the selection process to prevent the subsequent and gradual mismatch between some of the candidates selected and the respective organizations, from occurring over time. In addition to induction courses, Key Performance Indicators (KPIs), training and re-skilling programs, current and updated personality profiles and interest inventory of candidates must be kept so as to identify areas of weaknesses and potential deviants. Moreover absenteeism, deviant behaviors, or low morale can also be attributed to the perceived breach of “psychological contracts” between the successful candidates and the organizations because of distributive or procedural inconsistencies and injustices in terms of opportunities and rewards for personal and career development (Palazzo, 2007). As such public organizations must show that they care about the welfare and wellbeing of their employees by ensuring equal treatment, being more transparent and accountable for decisions made, as well as providing an ethical and conducive environment for civil servants to grow professionally (ibid).

5. Conclusion

It is evident that all of the above organizations strive hard to get the best possible candidates within the budgetary and procedural frameworks that they have to observe. However despite numerous tests employed that facilitate the screening processes’ abilities to identify the right candidates, human weaknesses and fallible selection criteria cast doubts on whether those candidates actually possess the qualities needed by the public services. Indeed persistent efforts must be made by the organizations not only to retain the candidates chosen but also to ensure that the “fit” between them remain well into the future. This can be done by continuously evaluating organizational and public services’ needs with the abilities of civil servants to meet them whilst providing updated and/or new programs to address potential weaknesses as well as meet new demands and expectations.

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An Identification of the Likely Policy Consequences of the Sarawak Corridor of Renewable Energy (SCORE) on the Affected Agricultural Areas in Central Sarawak

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Abstract

The consequences of public policies can be intended or unintended, and are beneficial or detrimental in nature. As a means of promoting development and economic growth, Malaysia has introduced successive industrial policies since Independence until the present day, that seek to redistribute wealth, promote export, substitute imports as well as strengthening and consolidating the sectors that would be exposed to foreign competition. However the consequences of these policies on the agricultural sector have generally been the reduction in the size of agricultural lands, a decrease in the number and income levels of farmers, migration from rural to urban areas as well the perceived unattractiveness of this sector to the youths, have resulted in a contraction of the agricultural sector's human capital. Within this contextual background, this paper examines SCORE's consequences on paddy farmers and paddy cultivation activities in Baram, Mukah, Samalaju, Tanjung Manis and Tunoh as impacted by the intense drive to develop the aquaculture, aluminium, fishing, forestry, glass, livestock, metals, oil, ship building, tourism and palm oil industries. First hand observations and data from state and federal agencies to date indicate that SCORE will bring about the same policy consequences on the paddy farmers and paddy cultivation activities in central Sarawak as experienced by the agricultural sectors in Peninsular Malaysia; thus threatening the sustainability of traditional and cultural practices associated with these activities.

Key words: SCORE, Development, Paddy cultivation, Policy consequences, Central Sarawak.

1. Introduction

The global economic recession and the fall of commodity prices in the 1970s and 1980 have led Malaysia to change its economic development focus from that based on agriculture to that based on industry (Chamhuri Siwar and Surtahman Kastin, 2002). This stance has been reinforced by the introduction of the New Economic Policy (NEP) that seeks to address and eliminate the identification of economic functions with specific ethnic groups by enhancing economic growth through the introduction of development policies and programs that promote investments in the mining, industrial and agricultural sectors (Mohd Yaakub and Kiong, 1990). According to Morshidi (1993) the strategies for growth adopted by Malaysia at the end of the 1970s are in line with those championed by the capitalist system; resulting in new agricultural methods and schemes being introduced, and new regional agricultural development areas being established in Kedah and Kelantan. As a consequence of these measures, the share of the agricultural sector in the country's Gross Domestic Product (GDP) has been reducing whilst those of industry, financial institutions, utilities, government

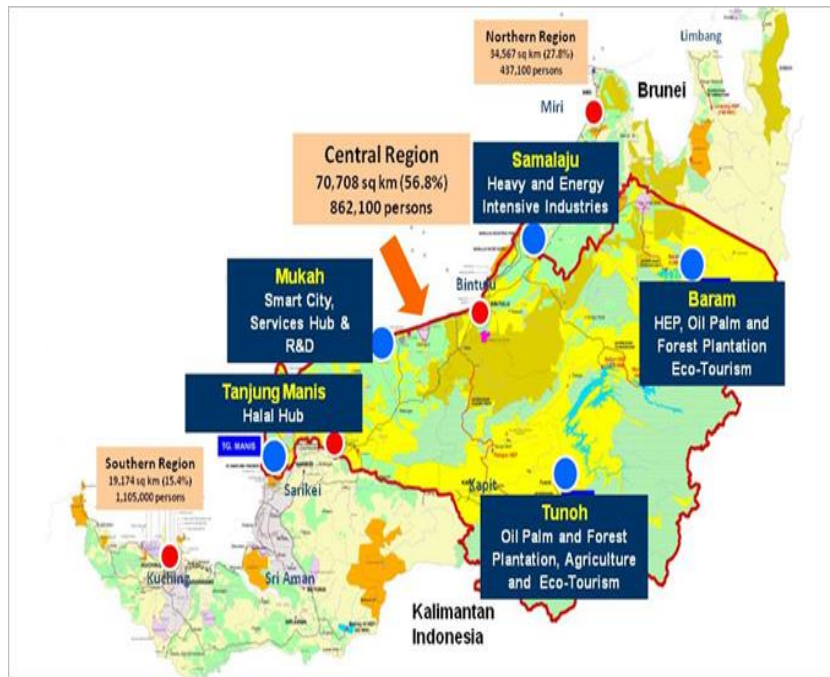
administration and construction have been increasing (Shamzaeffa Samsuddin and Asan Ali, 2004).

According to Chamhuri Siwar, Norshamliza and Chamhuri (2005) in 1970, being the beginning of the economic transformation process, the agricultural sector's contribution to the country's GDP stood at 30.8 %, and in 2005 its contribution had been reduced to 7.0 %. The manufacturing and services sectors' contributions however had increased to 35.8 % and 59.5 % respectively. It must be noted that paddy cultivation activities have been negatively affected by this strategy, and hence have contributed to the reduction of the agricultural sector's contribution to the country's GDP. Examples of the marginalization of the agricultural sector as a consequence of the rapid growth of the industrial and manufacturing sectors are illustrated by the experiences of modern industrialized Western countries as well as developing countries that strive towards industrialization (Stern, 1989; Choo and Ali, 1991). In the context of this research paper, the assumptions are the likely policy consequences on paddy farmers and paddy cultivation activities in central Sarawak will be similar to that already experienced by similar groups in Peninsular Malaysia because Sarawak Corridor of Renewable Energy's (SCORE) emphasis on palm oil plantations and the associated activities in the agricultural component of its strategy. It is argued that the focus on paddy farmers and paddy cultivation activities is justified as this agricultural sector is responsible for the production of rice, the staple food of the people in this country.

2. Sarawak Corridor of Renewable Energy (SCORE)

As the country's previous development policies have still to adequately address the problems of uneven development in Malaysia, the idea of regional development through the establishment of development corridors has been officially launched under the Ninth Malaysia Plan (2006 to 2010). As such SCORE is the initiative introduced to develop central Sarawak in the quest to attain a developed status for the state as whole by 2020 through the promotion of development and economic growth, as well as enhancing the quality of lives of the people of Sarawak. SCORE encompasses an area of more than 70,000 square kilometres with a population of about 600,000 people; its establishment in line with the likes of the Northern Corridor Economic Region (NCER), Iskandar Regional Development (IRD), and the East Coast Economic Region (ECER) in Peninsular Malaysia, that have been established during this period to attract global and domestic investments to these areas.

Diagram 1: SCORE's areas and economic activities



(Source: RECODA, 2015)

Diagram 1 shows the areas covered by SCORE encompassing more than 1,000 km of coastline, about 8 million hectares of fertile forest land suitable for agriculture, 1.2 million cubic tonnes of oil reserves, 80 million tonnes of silica sand, and more than 22 million tonnes of Kaolin China clay needed for manufacturing cosmetics and ceramics (RECODA, 2015). SCORE also has sources of clean and renewable energy such as hydro electric that is available at commercially competitive rates. From 2008 until 2030, SCORE’s emphasis is on developing the energy sector and 10 high impact industries that will also benefit small and medium industries, in line with the objectives of the Ninth Malaysia Plan. As such the abundance of cheap labour resources can be better utilised and local people could attend training centres as well as technical colleges that would provide them with the skills needed to enhance their economic wellbeing through the opportunities provided by SCORE (RECODA, 2015). Hence the socioeconomic gaps between the rural and urban areas will be reduced. To sustain the early development momentum and success, the Federal and State Governments have pledged RM66 billion for the construction of hard and soft infrastructures such as ports, roads, airports, hospitals, educational institutions and other facilities (RECODA, 2015).

Table 1: SCORE’s areas and their main industries

<p>Samalaju The industrial heart of SCORE focuses on heavy and energy intensive industries. The deep sea Samalaju Port was constructed in 2012 and is currently operating at a capacity of 9 million tonnes. More than RM11 billion have been invested by Press Metal, Tokuyama, Asia Minerals Ltd (AML) and OM Holdings Ltd. A new township catering for 30,000 residents will be constructed soon equipped with schools, police station, fire and rescue services, shopping complex, a golf course and medical facilities.</p>
<p>Mukah A Biotech Economic Zone for private sector R&D requirements will be built in Mukah; including those for selected industries such as</p>

food processing. 26 priority projects have also been identified with public investments worth about RM4 billion.
Baram and Tunoh Tourism and resource based industries will be established in both areas.
Tanjung Manis Tanjung Manis will be turned into an Industrial Port City and Halal Hub (with accreditation from HALMAS).

In line with regional development theories, the economic and spatial development in these five SCORE areas will also result in the development of adjacent areas such as Semop, Balingian, Selangau, Samarakan, Bakun and Nanga Merit. Hence the communities living in these areas will also be transformed from living in a rural setting to living in a modern industrialised setting.

3. The effects of SCORE on paddy farmers and paddy cultivation activities in central Sarawak

According to Chamhuri Siwar and Norshamliza Chamhuri, (2009) the agricultural sector is subjected to a process whereby agricultural outputs and supplies are provided at low prices to non-agricultural sectors. Moreover the agricultural sector also pays high rates of taxation used to finance the activities of non-agricultural sectors whilst simultaneously being forced to buy agricultural inputs such as pesticides, fertilizers, machineries and others at high prices. Hence these have negative impacts on the incomes of farmers; resulting in an increase in poverty amongst them, and subsequently some will migrate to urban areas to search for employment in non-agricultural sectors.

As the issue of poverty is commonly associated with paddy farmers and paddy cultivation activities, it is observed that this agricultural sector does not attract today's youths. For example, paddy farmers in Sarawak earn less than RM 1,500.00 a month while oil palm smallholders and pepper farmers earn RM 5,000.00 and up to RM 10,000.00 a month respectively (Malay Mail Online, 2016). In Bintulu for example, the implementation of SCORE's core industries such as in aluminium, silicon, oil and gas have attracted the youths away from the paddy fields by offering higher wages and the promise of better lives. Women and those who have been working in the paddy cultivation activities have also joined the emigration drive; with some switching from tilling the paddy fields on a full time to a part time basis. In Kuala Tatau, families have also been broken up with the men working in Bintulu, leaving their wives to work in the paddy fields by themselves. This situation clearly illustrates how rapid industrialisation has affected not only the lives of those involved in paddy cultivation but also paddy cultivation as an economic activity itself (Daniel Ugih, 2014).

The decline in the number of paddy farmers and the reduction of the areas for paddy cultivation have also led to the abandonment of the traditional *berdandang* system as illustrated in Kuala Serupai. This system entails paddy farmers pooling their resources to prepare their lands for paddy cultivation through the sharing of manual efforts and the associated agricultural inputs; thus effectively reducing the costs borne by the paddy farmers. Now they have to hire labourers in addition to buying pesticides and fertilizers; all of which have led to higher costs. This phenomenon if left unattended would eventually result in

uncultivated and unproductive farmlands (Fauza Ghaffar and Khairulmaini Osman,1995); a situation known as the de-agriculturalisation of the rural economy (Voon, 1995).

It is also argued that local knowledge on paddy cultivation will eventually be lost if the number of paddy farmers continue to decline as the knowledge passed down from the generations before would no longer be practiced; as currently illustrated by the Ibans in Kuala Tatau (Daniel Ugih, 2014). Hence effective zoning of paddy cultivation areas is needed to ensure that local knowledge on the planting of various paddy varieties and methods of paddy cultivation are sustained well into the future. Indeed SCORE's emphasis on developing the palm oil and aquaculture industries have led to some paddy cultivation lands to be converted into palm oil plantations; as evident by the state government-private sector cooperative efforts in Kuala Tatau (refer to Diagram 1). The rapid development process in Bintulu that has been spurred by the Samalaju industrial park has resulted in the construction of infrastructure and public utilities on lands previously used for paddy cultivation; thus changing the original pattern of land use in the area. As such the implementation of SCORE's core projects in central Sarawak will permanently change the pattern of land use there. It is envisaged that more lands will allocated for other sectors instead of for paddy cultivation. This is in line with Chamhuri Siwar and Norshamliza Chamhuri's (2009) observation on the country's agricultural sector as a whole whereby the emphasis on in-situ development will not lead to new lands being allocated for agricultural purposes.

Diagram 2: The conversion of Kuala Tatau's paddy cultivation lands into palm oil plantations



4. Policy Suggestions

It is important that policies introduced to address the concerns expressed in this article incorporate the maintenance of the positive elements of the traditional way of life of the local people, whilst ensuring that local knowledge on paddy cultivation be preserved in the quest for industrialization and urbanization. It is suggested that the sustainable livelihood (SL) approach be adopted in the formulation of public policies on development planning in SCORE areas. This is because the SL approach facilitates the identification of the prioritization of investments required for each of the sustainable livelihood elements comprising levels of consumption, assets accessibility, human capital resources and the levels of the community's resilience and adaptation. The social and economic ills associated with the process of industrialization and urbanization can be reduced if Ellis' (1998) suggestions on household strategies and rural livelihood diversification are also adopted. Through the diversification of activities that can sustain and enhance their social capabilities, their cultural practices that are associated with paddy cultivation, e.g. the *berdandang* system, can be continued; thus enabling them to withstand market pressures. Thus the inclusion of local paddy farming communities' policy inputs in major development programmes as introduced

by SCORE is of utmost importance; more so because of the increased demand for rice in those areas.

5. Conclusion

The experiences of modern industrialised Western countries as well as those in Peninsular Malaysia have shown that industrialisation and urbanization do have intended and unintended policy consequences that are beneficial and detrimental in nature. It is ironic that the paddy cultivation sector that should have been developed to accommodate the increased demand for rice because of SCORE's implementation is marginalized in various ways. Moreover the mass emigration of people from this sector to seek employment in the non-agricultural sectors will lead to densely populated urban areas, social problems and greater demands for better infrastructure and public utilities. This begs the question of whether industrialization and urbanization are indeed the appropriate panacea for problems of uneven development.

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Linking Fairness to Performance – A View from Budget Setting Perspective

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Abstract

Fairness is an essential dimension in determining manager's performance in budget setting. As budget represents the important tool in translating the planned strategies into action, it is therefore critical for the managers to adapt positive behavior that could guide them into high performance. This paper investigates the link between budgetary fairness, organizational commitment and managerial performance in budget setting. It is proposed that budgetary fairness influences managerial performance via organizational commitment. A study on budget managers in mechanistic public organization via survey questionnaire found to be positive and significant. Managers' performance is highly improved by influential factor of budgetary fairness and organizational commitment thus suggest that budgetary fairness and organizational commitment are important factor to performance and strongly advised for the management to consistently emphasis fairness in budget process in their organization.

Keywords: Budgetary fairness; Organizational commitment; Managerial performance

1. Introduction

Extensive research examining the effect of budgetary fairness on managerial performance produced inconclusive finding, suggest the relationship is more complex than what scholars theoretically thought and proposed (Wentzel, 2002; Maiga, 2006; Magner, 2008; Rachman, 2014). Prior empirical evidences found the relationship between the two were not only direct, but also influenced by indirect effect via multiple intervening and moderating variables (Lau and Lim, 2002; Maiga, 2006). In the quest to ascertain the complex role of fairness in budget setting, recent studies expansively extended the role of budgetary fairness dimension from predictor to mediator (Rachman, 2012, 2014; Kohemeyer, et al., 2014). Recent research on budgetary fairness, organizational commitment and managerial performance in budget setting were mostly conducted in manufacturing and service oriented environment (Rachman, 2012; Ogiedu and Odia, 2014; Kohemeyer, et al., 2014). This paper investigates the link between budgetary fairness, organizational commitment and performance in budget setting in mechanistic public sector organization. The paper proposed that the effect of budgetary fairness on performance is mediated by organizational commitment, a variable that influence manager work outcomes and mostly researched in recent behavioural accounting study (Mohd Noor and Othman, 2012; Kohemeyer, et al., 2014; Rachman, 2014). Theoretically, the paper explores organizational justice within contingency setting in explaining budgetary fairness, organizational commitment and managerial performance.

2. Literature Review and Hypothesis Development

Current budgetary literature highlights three important dimensions of fairness comprising procedural, distributive and interactional fairness, which are critical variables in determining organizational success. Prior studies linking fairness to performance involved mainly the

effect of procedural fairness on managerial performance with positive and favourable result (Rachman 2012, 2014; Ogiedu and Odia, 2014). Study by Wentzel (2002) found perceptions of fairness were seen to have improved performance by increasing the manager's commitment on budgetary goals. In contrast, study by Lindquist (1995) and Libby (1999) found no evidence to support that procedural fairness is directly related to performance. Prior budget research examining budget participation and performance have supported the mediating roles of organizational commitment in budget setting with positive result (Yahya, Ahmad and Fatima, 2008). Review of literature indicates that the findings of budgetary fairness is inconclusive as it never been tested in mechanistic public sector environment. Therefore, the roles of budgetary fairness and it effect on performance have triggered further investigation thus lead to the development of conceptual framework as shown in Figure 1 below.

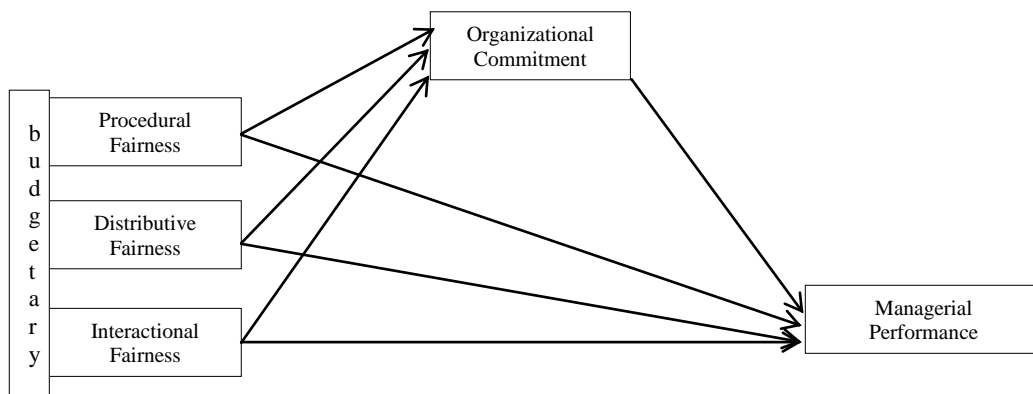


Figure 1: The conceptual framework of the relationship between budgetary fairness (procedural, distributive, interactional), organizational commitment and managerial performance

2.1 Procedural Fairness, Organizational Commitment and Managerial Performance

Lau and Lim (2002) noted that procedural fairness affect performance because people care about the fairness procedure and they feel the organizational judgments is an important issue to them. Perceived procedural fairness may influence the subordinate to attach to the organization, increase trust to the leaders and willing to involve in budget setting process. When the employee feels they have been receiving fair treatment by the superior during the budget setting process, it will increase their commitment for the benefit of the organization thus will lead to higher performance. Lau and Lim (2002) stated that procedural fairness has affected in improved performance while the direct association between commitment and performance was found in the public sector with positive and significant results (Yahya, Ahmad and Fatima, 2008; Rachman, 2014). Therefore, the following hypothesis is developed:

H1: The effect of procedural fairness on managerial performance is mediated by organizational commitment.

2.2 Distributive Fairness, Organizational Commitment and Managerial Performance

This study suggest that perceived distributive fairness may influence the subordinate to attach to the organization, increase trust to the leaders and willing to involve in budget setting process. When the employee feels they have been receiving fair treatment by the superior during the budget setting process, it will increase their commitment towards fulfilling what

the organization need thus lead to higher manager's performance. Therefore, the following hypothesis is put forward:

H2: The effect of distributive fairness on managerial performance is mediated by organizational commitment.

2.3 Interactional Fairness, Organizational Commitment and Managerial Performance

Staley and Magner (2008) viewed that the fairness for budget implementation procedure should encompasses interpersonal sensitivity by showing kindness, respect and concern for managers right; providing sincere consideration when debating the budget allocation; providing managers with clear, timely and adequate explanations when budget decision is met and avoiding bias on procedures during implementation. Organizational fairness will trigger positive managerial outcomes and behaviour. Maiga (2006) noted that interactional fairness exists when supervisor is honest, show respect and concern for the subordinate right and need. When subordinate feel their right is fulfilled, this may help improve their willingness to put a great deal of effort to help the organization. This study suggest that perceived interactional fairness may influence the subordinate to attach to the organization, increase trust to the leaders and willing to involve in budget setting process with higher commitment. When the employee feels they have been receiving fair treatment by the superior during the budget setting process, it will increase their commitment for the benefit of the organization thus will lead to higher performance. Organizational justice is related to work performance indirectly via organizational commitment, in which interactional fairness appeared to be the best predictors to performance (Wang, et al., 2010). Therefore, the following hypothesis is tested:

H3: The effect of interactional fairness on managerial performance is mediated by organizational commitment.

3. Methodology

This study adopts empirical science method which looking at quantitative analysis of cause and effect to generalize the conclusion and finding. A total of 200 questionnaires were sent to budget managers in a mechanistic public sector organization in Malaysia, purposively selected and nominated based on their involvement in budget related tasks and have years of relevant budget experience and budget authorisation. These budget managers are performing important budgetary roles and activities, therefore, the findings of a study may provide a meaningful and interesting comparison with prior studies which have largely focused on the private sector. The experience in budget is meaningful as this will add the credibility of the data. Mechanistic public organization is selected as sampling organization to view the extent of fairness in mechanistic environment.

The instruments used to measure procedural, distributive and interactional fairness were adapted from earlier research following Maiga (2006) works. Organizational commitment and managerial performance were adapted and modified from Mowday, Steers and Porter (1979) and Mahoney, Jerdee and Carroll (1963). For this paper, all the items in research instruments were tested using five points Likert - scale ranging from (1) strongly disagree) to (5) strongly agree.

All the instruments has established very high validity and internal consistency reliability. Cronbach Alpha's were observed above 0.8, exceeded recommended range of 0.7 (Pallant, 2013). Composite reliability for all the items were above 0.6 as recommended by Hair, et al. (2014). Average Variance Extracted (AVE) to evaluate convergent validity shows the AVE

of 0.5 and above (Hair et al. 2014). These validity and reliability results indicate that items used in the study fit for measurement model for SEM analysis using Smart PLS. However, two items from procedural fairness and distributive fairness respectively have been excluded as it failed the discriminant validity test as suggested by Fornell and Larcker (1981) criterion.

Hypotheses and subsequent results are tested analysed using structural equation modelling (SEM) using 128 final and usable respondents. SEM is employed because it able to deal with small sample size for data analysis and normal data distribution is not necessary, easy to be illustrated using path analysis diagram (Hair et al, 2014). A mediating effect exists when a third variable intervenes between two other related constructs (Hair et. al.2014). The mediator reflects in the relationship when it causes the continuous significant effect to the criterion variable (Baron and Kenny, 1986). The degree of mediation effect of organizational commitment is measured using Variance Accounted For (VAF) as suggested by Hair et al (2014) approach.

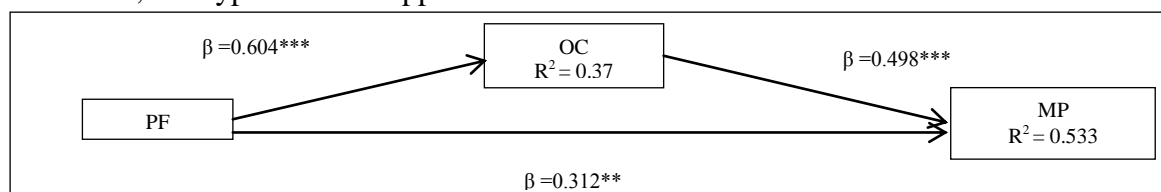
4. Result and Discussion

4.1 Procedural Fairness, Organizational Commitment and Managerial Performance

Hypothesis being tested is:

H1 : The effect of procedural fairness on managerial performance is mediated by organizational commitment.

Refer to Figure 2. The direct test of procedural fairness and managerial performance show a positive and significant effect ($\beta = 0.618$, $t > 11.058$, $p < 0.000$). R square indicates procedural fairness explain 38 % of managerial performance. Interestingly, the inclusion of organizational commitment, however, has resulted both procedural fairness and organizational commitment explained 53% variance in managerial performance. Procedural fairness and managerial performance show positive and significant effect ($\beta = 0.312$, $t > 3.404$, $p < 0.001$) while procedural fairness has positive and significant effect on organizational commitment with R^2 at 0.37. ($\beta = 0.604$, $t > 9.067$, $p < 0.000$). The effect of organizational commitment on managerial performance is significant ($\beta = 0.498$, $t > 6.192$, $p < 0.000$). Following Hair et al 2014 method of assessing VAF value to determine the strength of mediator effect, the Model shows VAF of 49.7. Consequently, this value indicates that 49.7% of procedural fairness effect on managerial performance is explained via organizational commitment mediator. Since the value of VAF is larger than 20% but smaller than 80%, it is concluded that partial mediator exists. The result conforms to Hair et al (2014) which suggest that the mediating effect only exist when indirect effect between third variable and criterion variable is significant. The result provides evidence that organizational commitment does partially mediates the relationship between procedural fairness and managerial performance. Therefore, the hypothesis is supported.



Note: Statistically significant at * $t > 1.96$ ($p < 0.05$); ** $t > 2.58$ ($p < 0.01$); *** $t > 3.29$ ($p < 0.001$)

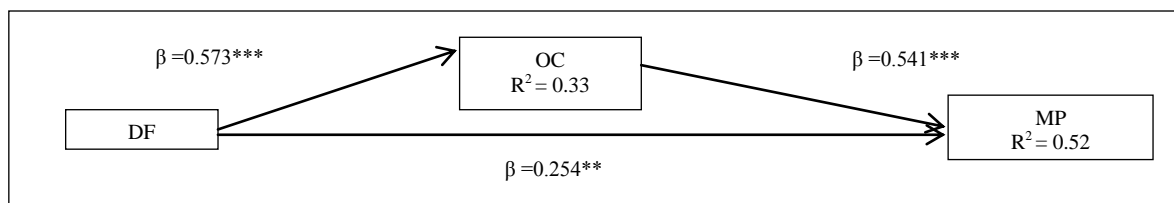
Figure 2: Path model between procedural fairness, organizational commitment and managerial performance

4.2 Distributive Fairness , Organizational Commitment and Managerial Performance

Hypothesis being tested is:

H2: The effect of distributive fairness on managerial performance is mediated by organizational commitment.

Refer to Figure 3. The preceding direct test of distributive fairness and managerial performance show a positive and significant effect ($\beta = 0.572$, $t > 9.218$, $p < 0.000$) with R square indicates distributive fairness explains 33 % of managerial performance. The inclusion of organizational commitment has resulted the variation in managerial performance increase to 52%. Distributive fairness and managerial performance show positive and significant effect ($\beta = 0.254$, $t > 3.038$, $p < 0.003$) while distributive fairness has positive and significant effect on organizational commitment with R^2 at 0.33. ($\beta = 0.573$, $t > 8.395$, $p < 0.000$). The effect of organizational commitment on managerial performance is significant ($\beta = 0.541$, $t > 7.031$, $p < 0.000$). Following Hair et al 2014 method of assessing VAF value to determine the strength of mediator effect, the Model shows VAF of 54.9. Consequently, this value indicates that 54.9% of distributive fairness effect on managerial performance is explained via organizational commitment mediator. Since the value of VAF is larger than 20% but smaller than 80%, it is concluded that partial mediator exists. The result conforms to Hair et al (2014) which suggest that the mediating effect only exist when indirect effect between third variable and criterion variable is significant. The result provides evidence that organizational commitment does partially mediates the relationship between distributive fairness and managerial performance. Therefore, the hypothesis is supported.



Note: Statistically significant at $*t > 1.96$ ($p < 0.05$); $**t > 2.58$ ($p < 0.01$); $***t > 3.29$ ($p < 0.001$)

Figure 3: Path model between distributive fairness, organizational commitment and managerial performance

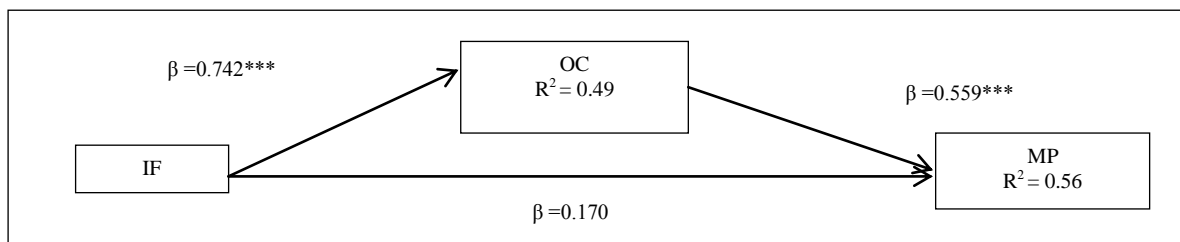
4.3 Interactional Fairness, Organizational Commitment and Managerial Performance

Hypothesis being tested is:

H3: The effect of interactional fairness on managerial performance is mediated by organizational commitment.

Refer to Figure 4. The preceding direct test of interactional fairness and managerial performance is positive and significant ($\beta = 0.591$, $t > 11.543$, $p < 0.000$) with R square indicates interactional fairness explain 35 % of managerial performance. Subsequent test with the inclusion of organizational commitment has resulted in R square increased to 56%, indicating that interactional fairness and organizational commitment has influenced the managerial performance. Interactional fairness and managerial performance show positive but insignificant effect ($\beta = 0.170$, $t > 1.573$, $p > 0.116$) while interactional fairness has positive

and significant effect on organizational commitment with R^2 at 0.49. ($\beta=0.742$, $t>14.241$, $p<0.000$). The effect of organizational commitment on managerial performance is significant ($\beta=0.559$, $t>5.189$, $p<0.000$). Following Hair et al 2014 method of assessing VAF value to determine the strength of mediator effect, the model shows VAF of 0.71. Consequently, this value indicates that 71% of interactional fairness effect on managerial performance is explained via organizational commitment mediator. Since the value of VAF is larger than 20% but smaller than 80%, it is concluded that partial mediator exists. The result conforms to Hair et al (2014) which suggest that the mediating effect only exist when indirect effect between third variable and criterion variable is significant. The result provides evidence that organizational commitment does partially mediates the relationship between interactional fairness and managerial performance. Therefore, the hypothesis is supported.



Note: Statistically significant at * $t>1.96$ ($p<0.05$); ** $t>2.58$ ($p<0.01$); *** $t>3.29$ ($p<0.001$)

Figure 4: Path model between interactional fairness, organizational commitment and managerial performance

5. Conclusion, Limitation and Future Research

This paper examines the role of budgetary fairness, organizational commitment and managerial performance in budget setting using a sample 128 budget managers from mechanistic public sector organization. It was hypothesized that procedural fairness, distributive fairness and interactional fairness, respectively, affect organizational commitment and finally lead to affect managerial performance. All three hypotheses supported the mediating roles of organizational commitment in the relationship between fairness and performance. Thus the study provides new evidence indicating that the three fairness dimension that are procedural, distributive and interactional have positive effect with organizational commitment and managerial performance. The findings suggest that fairness is an important variable that affect organizational commitment and finally lead to improve in managerial performance as suggested by Magner (2006) and Cropanzano, Bowen and Gilliland (2007). Organizational commitment appears to play important mediator roles to affect performance, consistent with Yahya, Ahmad and Fatima (2008), Ogieudu and Odia (2014) and Rachman (2014). The paper highlights the new evidence on theory development pertaining to the application of justice theory within contingency setting. It is important to express that justice model in workplace is not an isolation factor that affect managerial attitude and behaviour, but it should be seen broadly in other context such as contingency environment. It is also viewed that justice is seen to be worked in mechanistic environment budget setting without any interference from mechanistic rules thus suggest that mechanistic condition appear not to have influenced justice in workplace, consequently reflects the role of justice is communal in any organizational setting.

The paper implies that the design of budgetary framework within the organization should be inclusively take into account managers behaviour and outcomes. In particular, it is important for the management to emphasis fairness and organizational commitment in their budget setting to ensure managers willingness to perform significantly at higher productivity.

Ultimately, it contributes to high organizational success. The result of this study only related to a single mechanistic public organization. Therefore, it cannot be generalizable to other context. Furthermore, this study only views a single causation effect of fairness on performance. Future studies on fairness may incorporate other variables that may influence manager performance such as budget satisfaction and leadership styles.

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The Ambiguous Political System: The Case of Malaysia's Hybrid Regime

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Abstract

Countries that come out of the “gray zone” during the “third wave democratization,” as ambiguous as they may seem politically, may not be a manifestation of a failed democratization attempt. Rather, their “hybrid” characteristics, portraying neither a full democracy nor outright authoritarianism entrenched in the system, may possibly serve as a panacea to governing especially in a troubled state. This paper presents an ambiguous political system that is neither fully democratic nor outright authoritarian. In the discourse of democratic transition studies, countries with this type of political system are described as countries derived from the third wave democratization and are typically viewed as being in the process of regime change towards democracy. The unconventional political system practiced in Malaysia defies the claim that the country will undergo a linear and teleological journey under the democratization process until it reaches the consolidation phase. Proponents of democratic transition describe a country of this kind as an unstable “halfway house”. Praised for its high economic growth and political and social stability, the country has proven to be the anomaly in democratization studies. Instead of falling apart, Malaysia manages to remain persistent and resilient in the face of challenges and political turbulence. This paper displays features that constitute the “hybrid configuration” of Malaysia’s political system. These features serve as forces that sustain the regime. In conclusion, this paper claims that the political configuration of a country defies the conventional theories of how a government should work.

Keywords: Third wave democratization, Gray zone, Hybrid regime, Hybrid political configuration, Halfway house, Malaysia

1. Introduction

The withering of Communism as a dominant ideology and the collapse of the Berlin Wall more than two decades ago indicates the triumph of liberalism and democracy in world history. These events have led to the establishment of literature in democratic transition studies (O’Donnell, Schmitter, and Whitehead, 1986). The claim made by proponent of democratic transition theory was that all countries are swept by the wave like force to become full democracies at the end. (Huntington, 1991)

However, some transitions according to regime analysts (Levitsky and Way, 2010) do not always lead to full democracy. Many of the countries around the globe that have undergone the regime change process have proven them wrong. Instead of fully transitioning to democracy, these regimes uncharacteristically defy the normality of democratization thesis by having both attributes of democracy and autocracy at once. Adding to this paradox, these regimes will not be transforming to a full democracy anytime soon. Instead, they are stuck and secured in place with these peculiar characteristics.

Regimes of this nature are generally known as the “hybrid regime” under transition literature. Experts in regime change described this regime as a regime that combines features of authoritarianism and democracy and thus occupies the gray zone between clearly authoritarian and democratic systems (Levitsky and Way, 2010). There are many adjectives that have been linked to label these ambiguous regimes and some scholars have agreed to describe them as merely “hybrid” to denote its general ambiguous attributes (Morlino, 2012).

It is unfortunate that the transition studies, due to its teleological nature and democratic bias in its discourse, have obscured the real nature of these ambiguous regimes. In earlier literature, a leading proponent of transition theory made a notable claim that a regime of this peculiar kind as the “halfway house that will not stand” (Huntington 1991, p. 137). Findings by (Collier and Levitsky, 1997) categorized these regimes as “diminished” sub-types of democracy. Later in the studies, labels have been strenuously given depicting negative inferences of the hybrid regimes such as “flawed”, “defective”, “pseudo”, “semi”, “partially free” and “unsustainable”.

In this paper I argue that such negative connotations given to depict these regimes are unjust to the studies of regime transition. These regimes deserve a critical assessment on their ambiguous natures in order to understand how they really work and what makes them tick. This paper displays the tools that contribute to the functioning of Malaysia’s ambiguous political system. The goal is to fill in the gaping loopholes in transition studies. I hope that assessing Malaysia’s hybrid political system will bring in new light in democratization literature on how an ambiguous regime works without having to be fully democratic.

2. Political Hybridity: Analytical Challenges

Does hybrid regime matters? Yes, because it presents the paradox of the democratization paradigm. Democratic biasness that works under this paradigm tends to alienate the experience of the “otherness” i.e. the Third World and ignores their particular developmental processes. More unfortunate is when the West set this paradigm as platform for others to follow (Grugel, 2002). Critics have argued that democratic transition paradigm has lost its purpose and should be replaced with a better paradigm that can explain the actual phenomenon depicting regime transitions in the new era (Carothers, 2002).

Analyst of hybrid regime challenges the assumption that the current status of regimes in the gray area is only temporary and the idea that they will eventually become either a democracy or revert back to authoritarianism is problematic. For those who view these regimes from the dichotomy of a “democracy + elections mindset” obscure the real nature of these entities. Only by removing this mindset can analysts progress toward a fuller understanding of what these regimes truly are (Hobson, 2003). The same critics can be given to analysts who claimed hybrid regimes as defective democracies who are in transition of becoming full democracy. Unfortunately, they are not. They tend to form stable connections to their economic and social structures and are often seen as an adequate institutional solution to the specific problems of governing effectively. These regimes will remain for a long time, as long as there is equilibrium in the system (Merkel, 2004).

Brownlee (2007) commented on regimes that are partially democratic and partially autocratic, instead of being unstable as depicted by Huntington’s halfway house, in fact, become a “fortress – not a way station but a way of life”. Brownlee also asserted that in order to explain regime change, regime continuity should be taken into consideration as well. In his study of hybrid regimes, Bogaards (2009), claimed that the prospect of democratic

consolidation for these kinds of regimes are farfetched; thus, that these regimes must be considered a type of their own rather than categorized as regimes that are undergoing the process of transition.

The democratic obsession within democratization studies about regime change can be blamed for the lack of rigor in the study of hybrid regimes and their distinctiveness. To this day, a surge of studies on the peculiar nature of hybrid regimes have come to the front line. However this phenomenon has caused a degree of messiness and brings up the issue of clarity in the literature of hybrid regimes. In an attempt to understand the whole body of hybrid regime literature, analysts and researchers have focused either on the study of its origins, functions or its ability to survive (Cassani, 2012).

In this paper, Malaysia is chosen as a case study to assess and explain how a particular hybrid regime of this kind really works. It does serve as the anomaly of democratic transition as to how a country with all the democratic preconditions such as economic growth that produces a broad middle class, high educational and income levels, and a large industrial working class along with its institutional control system, has worked in contradiction to the ideas of liberal democracy.

3. Hybrid regime: the Malaysian Case

Malaysia is a paradigmatic case of a country with hybrid political setup of a partly democratic system with authoritarian practices. However, for many years, Malaysia has managed to endure. Experts and analysts of democratization studies have labelled the regime in Malaysia as a “semi-democracy” (Case, 1993) or “quasi-democracy” (Ahmad, 1989) or “flawed” (Economist Intelligence Unit, 2015) and “partly-free”(Freedom House, 2015). Levitsky and Way (2010) have categorized Malaysia as a case of stable hybrid regime. These categorizations are unconventional to what is accepted as a normal political system.

Malaysia’s hybrid regime stands for the political system which is labelled as neither democratic nor authoritarian, despite embodying both democratic and authoritarian characteristics. Crouch (1996) on his analysis about regime in Malaysia, argued that the democratic elements and authoritarian support system of a hybrid political system do not necessarily contradict each other rather, this odd political setup can be mutually supportive. Regime like this should be understood as its own kind, with peculiar characteristics that distinguish them from either a democracy or an authoritarian system (Crouch, 1996).

Dan Slater (2009) argued that in order to study a regime, one must directly observe how stable and resilient to challenges and crises those regimes have proven to be over time. Slater described Malaysia as a regime with endurance capacity; not because it has lasted more than five decades, but that it is durable because it has shown a remarkable capacity to manage conflicts.

In a recent study, Malaysia’s ambiguous political system is claimed as a success story of a hybrid regime thanks to the “toolbox of repressive and authoritarian measures combined with limited responsiveness and populist policies directed especially towards the Malay majority” (Holik 2011, p.9).

4. Hybrid Political Configuration in Malaysia: the tools

The author argues in this paper that different political setups with hybrid elements of democracy and authoritarian attributes work differently in regimes around the globe. In Malaysia's hybrid political system, the political configuration shows how the positive components of democratic principles such as electoral institution, the internet and social media, peaceful social mobilization and elite strategies work along with authoritarian elements such as, electoral gerrymandering, institutionalized control system, strong state and dominant party, and patron-clientele. These democratic and authoritarian attributes function as forces that uphold the regime and sustain it.

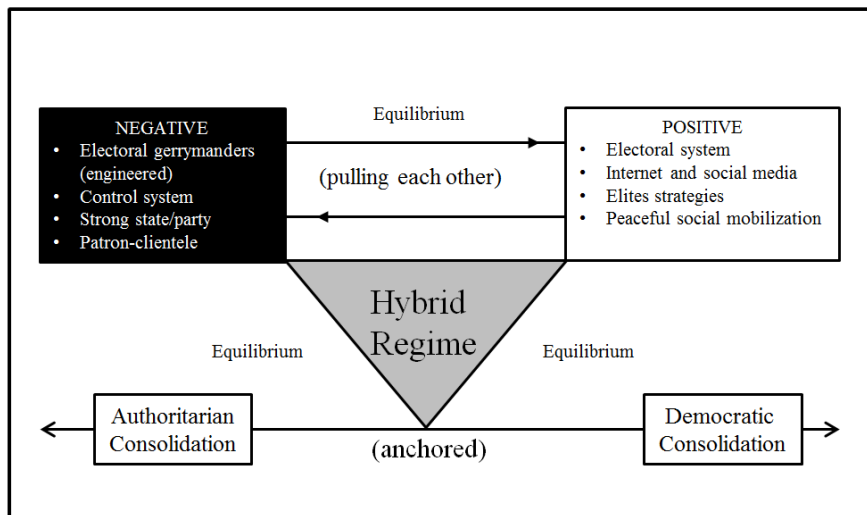


Figure 1: Hybrid Political Configuration in Malaysia

4.1 Electoral Institution

The electoral system in Malaysia is "Janus faced". Analysts and critics argue that the electoral system in Malaysia may appear to be a façade, but it is important for the regime's incumbency. The Malay-dominated ruling elite constructed the electoral system to virtually ensure that they could not be removed from power. On the other hand, a manipulated election can open opportunities for opposition parties to contest the incumbent and to give a strong competition. Recent developments in Malaysia's general elections in 2008 and 2013 show that even in unfair environment elections in Malaysia are competitive enough to allow for a change of government and possibility of regime change too.

4.2 Institutions of Control in Malaysia

The control apparatus in a hybrid political system is deeply institutionalized. Milton Esman (1973) termed this kind of control system as being "institutionalized dominant" and suggested that this method is basically a coercive network of controls with the purpose of maintaining hegemony and that it is often highly sophisticated and deeply institutionalized.

It is not just the electoral system that favors the incumbent government, who has a wide range of political controls to restrict opposition parties and dissidents. The mechanism of control serves as a state apparatus to protect the ruling government from the opposition parties' interference on government's business. Thus, these control mechanisms such as Internal

Security Act (ISA) and Sedition Act and many others are institutionalized, and are often justified as necessary for maintaining order and stability in the plural society in Malaysia.

These control mechanisms that are a winning situation for the incumbent regime, nevertheless, are a setback to the democratization process. However, despite the state's acquisition of authoritarian powers, the system was far from fully authoritarian. The positive aspects of hybrid political configuration such as peaceful social mobilization have worked to successfully demand the repeal of ISA and other draconian acts. In September 2011, Malaysia's 6th premier, Najib Tun Razak, had pledged to repeal ISA and three other emergency declarations (The Star [online], 2011). This indicates that the government has responded to the demand of the people that is to fulfill and protect their basic rights.

4.3 Strong State

Statist expert claimed that the position of the state in Malaysia as a statist democracy that represents the situation where power holders have much of the leverage in determining the rules of political competition. This situation allows the incumbents to entrench their dominance in the society without employing a high degree of coercion (Jesudason, 1995). This point is interesting because the concept of a state in Malaysia overtook Weber's definition of a legitimate use of physical force; hence, it marks the characteristics of Malaysia's political system of semi-authoritarian (Ottaway, 2003). One characteristic of the hybrid regime in Malaysia is that there is a blurring of the line between the party and the state; when Malaysians talk about the party, we usually means the state and the government.

4.4 Patron Clientele

In Malaysia's hybrid political scenario, Gomez and Jomo (1999) claimed that the UMNO-led *Barisan Nasional* (BN) dominant party has made significant achievements to sustain its central power. The mechanism that works in the Malaysian hybrid system is that the dominant party, UMNO, provides a patron-clientele relationship to the Malays. This is considered a legitimate practice in the political system. In response, the Malays vote for them in general elections.

The patron-clientele networks are carefully weaved by the state through its apparatus in the name of fixing the imbalances in the socio-economic structure. The paradox is that, on one hand, state intervention reasonably promotes economic growth and political competition (mistakenly assumed as democracy); and on the other hand, state intervention is a sign of deeper authoritarianism (Gomez and Jomo, 1999).

4.5 Internet and New Social Media

Controlling laws that limit civil rights and freedom of the people are not totally hopeless when, at the same time, the Internet media is free from regulation. In Malaysia, the term "netizens" is given to those in the society who rely on social media for news and communication because the conventional print and broadcast media is tightly controlled by the ruling government. This condition enables the people to get alternative media sources for information and freedom of expression. With no regulations controlling it, Internet and social media are the positive means of social movement in Malaysia.

4.6 Peaceful Social Movement

Protest movements are relatively new in Malaysia's political scenario. Recent protest movements such as BERSIH and Hindu Rights Action Force (HINDRAF) that took place not long ago, were the upshot of the *Reformasi* movement in the late 1990s. Starting with *Reformasi*, social movements in Malaysia were held in a peaceful manner. The aim is to carry a message to the government about the people's frustration on the government's wrongdoing and ineffective governing. Hybrid political system has laid out ground for people's participation in the form of peaceful protest. Even though democracy is partially practiced it signifies positive hope for further development that facilitates mobilization in the near future.

4.7 Elite Strategies

According to transition theories, strategies of the elites involve negotiated agreements between ruling elites and opposition elites. This moves common perceptions of self-interest toward accepting democracy as the best possible regime form under given conditions. However, elite strategies for democratization do not apply to Malaysia, whose ruling elites are well-known for their strength and cohesiveness. Analysts claim that the patronage-system practice in Malaysia contributes to the elites' cohesiveness and their support of the dominant party, whose crucial task is to maintain the loyalties of in-groups by guaranteeing their long-term interests (Smith, 2005).

5. Conclusion

This article has posited a challenge to democratic transition studies. It has highlighted the misleading literature on the part of the transition's scholarship to assume that regimes that have ambiguous political systems are defective, flawed, and thus unsustainable. This rhetoric from the transition paradigm is refuted by the Malaysian case of hybrid regime. To date, Malaysia is the longest serving hybrid regime in the world. It is the living testimony of a regime with a peculiar political system that has survived and thrived without being fully democratic.

This paper reminds us that the configuration of both democratic and authoritarian attributes entrenched in a hybrid regime such as Malaysia can work and function as a force to sustain the regime. Transition analysts should put effort into critically studying how this ambiguous regime works and what are the factors that sustain it. These hybrid regimes should be classified as a regime of its own kind rather than being categorized as a failed democratic system. They are not a defective system nor are they dysfunctional. A simplification of judgement by some analysts will not do justice to the scholarship.

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Cyberbullying Behavior among Teens Moslem in Pekalongan Indonesia

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Abstract

This study purposed to analyze the behavior of cyberbullying among Moslem teenagers in Pekalongan, group conformity in cyberbullying behavior and the implications for the offenders and the victims. The approach used is qualitative. The collection of data through observation, interviews, and literary studies. The technical analysis using an interactive model. The results showed that, cyberbullying behaviors become a trend in the Moslem teenagers of Pekalongan, Such behavior is not linear with the comprehension of religion (Islam) which was built since they were children until teenagers. Group conformity is internalized in the Moslem teenagers, has become the main cause of the rise of this cyberbullying behavior, thereby defeating the comprehension of religious values they believe. The implications of cyberbullying behavior, among others are: 1) the actors: to feel satisfied, happy, arrogant even proud to have managed to make others suffer; 2) for the victims, some feel mediocre, do not care “cuek” indifference, silent (harbored a deep sense), embarrassed, insecure, feeling resentful-keki, feel isolated, withdrawn, wailing-weeping for her/himself, as well as prefer solitude, and even resulting laziness to study, lazy to go to school and socialize, because of fear to be ridiculed when they met with their friends. The conclusion is, that cyberbullying is regarded as a trend for Moslems teenagers in Pekalongan, because of group conformity, internalized among them, which has a negative impact on the offenders and also on the victims. Therefore, it is needed a comprehensive approach involving parents, schools, communities and governments to overcome this problem

Keywords: Behavior, Cyberbullying, Moslem teens

1. Introduction

The phenomenon of violence in cyberspace or commonly called as cyberbullying has become an interesting and relevant issue to be studied, because it is still a social problem today. Cyber-bullying can be briefly defined as “sending or posting harmful or cruel text or images using the Internet or other digital communication devices” (Willard, 2004 in Li, 2008). He further noted that cyberbullying can occur in blogs (interactive web journals), websites, emails, listservs, chat, instant messaging, and text/digital image messaging via mobile devices. It can relate to gender, racial, religious, and cultural biases. To support this, Hinduja and Patchin (2013) in their research reported that the sophisticated technology with easyness to access, including for teenagers, became stimulant for violent behavior "cyberbullying", in which the effect in society is endangering the teenager's psychology as from the victim's perspective, the attack brings misery.

The condition of cyber bullying among teenager becomes more interesting when it is studied in the context of local teenagers of Pekalongan as the city of “Santri” (Religious city), with a majority of population are Moslems. The religious tradition in the family that is thick and religious values embedded from childhood in Moslem teenagers, the fact is not a guarantee for them to avoid cyberbullying behavior. Based on the results of the FGD of gender mainstreaming activities organized by the Education Sector Dindikpora Office Pekalongan, held in 2014 with 50 FGD participants of Moslem teenager, there are 44% or 22 juveniles as

perpetrators and victims of bullying; 56% or 28 teenagers, 22% or 11 of teenagers as perpetrators and victims of bullying, 30% or 15 of teenagers as victims of bullying, and 4% or 2 of teenager daughters instead of the perpetrator nor the victims of cyberbullying. Ironically, all kinds of cyber bullying done by the teenagers are assumed as a natural thing, something fun and exciting, especially when the acts are carried out within the group. According to them, if some body does not conduct cyberbullying, are considered as "katrok" or not following the trend by their friends. These teens do not realize that their actions have derailed from the social behavior order, for hurting their friends and this can cause bad effect to the perpetrators themselves, more over to the victims.

Based on the above background, the study aimed to:

- identify and analyze the behavior of cyberbullying among Moslem teenagers of Pekalongan,
- group conformity in cyberbullying behavior and
- the implication for the offenders and the victims.

2. Methods

This study that is conducted in 2014 is based on the tradition of qualitative research that is intended as an attempt to analyze the social phenomena regarding to the cyberbullying behavior among Moslem teenagers of Pekalongan. There are the total of 50 participants as informants (Moslem teenagers as school pupils) with the following criteria: 1. The informant who was a perpetrator and also victim of cyberbullying, 2. The informant as a perpetrator only, and 3. The informant as a victim only. Hence, based on the interview, there are 46 informants fulfilling the criteria mentioned. The supporting informants are parents and teachers. Gathering information using observation and interviews with key informants purposively selected, then developed with snowball technic. To obtain the data, interview process was conducted in schools and at home, supported by the use of literary studies. During the process of interview, the interviewer asked the interviewee's permission regarding the ethic of conducting the research. According to Milles and Huberman (1992, pp.20) to check the credibility of the information and data triangulation techniques are used, and to analyze the data interactive model as the most appropriate model is used. During the data collection, data display and reduction are done to draw and verify the conclusion.

3. Results and Discussion

3.1. Cyberbullying Among Moslem Teenagers in Pekalongan

The Moslem teenagers of Pekalongan city, they live in the religious society, since childhood they were educated in a religious family too, they study at Islamic school "Madrasah Diniyah", and also study reading qur'an personally to the "ustadz/ustdzah" teacher of the qur'an at home and mosques. Their knowledge, understanding and practice of religious rituals is extraordinary, very obedient and diligent in performing worship. Even so, Cyberbullying is becoming a trend for them and regarded as an ordinary matter, thereby defeating the understanding of religious values they believe. The Moslem teenagers in Pekalongan do not understand if what they do is a form of social behavior deviation, so they just enjoy doing the cyberbullying action, as stated by NN, "*Pa ora temen..aku ya engga tahu, wong itu ya biasa bae. hehehe* [I don't care.. I don't realize that it's a cyber bullying, that's normal, any body do it, *hehehe* (giggling)]"

This statement is a real sample of being a victim of cyberbullying, as in line with the definition of cyberbullying stated by Olweus (2013) that cyberbullying is the incident when a child or teens mocked, insulted, intimidated, or humiliated by other child or adolescent via the Internet, digital technologies or mobile phones. Although cyber-bullying and traditional bullying are taking place on a different and unique venue, there generally is a consensus among researchers that they function in quite similar ways, including the aggressiveness characterizing online and offline bullying, and the imbalance of physical, social, relational, or psychological power between bully and victim. Further, the behavior is repeatedly displayed, with the intention to harm another individual.

To clarify the discussion, then cyberbullying in the Moslem teenagers of Pekalongan, were analyzed by using these indicators, namely:

1. in term of the age of the offenders and the victims. The age of the perpetrators and victims of cyberbullying in the Moslem teenagers of Pekalongan average of 14 to 16 years old. That is, at this age they are legally considered as immature or still said to be the children (teenagers). Meanwhile if bullying done by the perpetrator and the victim or one of them are aged over 18 years, it will be categorized as cyber
2. crime or cyber stalking (often also called cyber harassment).
- 2) In term of the media used. The media used are SMS, BBM, facebook, chat, instagram, twitter and others. Empirical evidence shows that, Moslem teenagers in Pekalongan mostly prefer to use facebook to make bully attacks, compared to SMS, BBM, chat, instagram or twitter. “*Ya FB (Facebok) laah*” [FB, off course, compared to any other social media] (NF)
- 3) In term of the kinds and models of cyberbullying. The study's findings show that, kinds and models of cyberbullying are in terms of words, pictures or uploading photos. Words used such as: “*Kiwil* (teeth forward), *wagu* [awkward], *kudet* [squirt,filthy], *cupu* [silly] *asem ki* (shit), “*Kupret*” [you, are black, ugly, arrogant], “*kepo*”, “*Alay*”, [awkward] effeminate, PHO (Destroyer Relations Person), *katrok*, *cabean-cabean*, *eggplant-terongan*, *coffee (black) and others*”.

By using images such as scary cartoons, cypress / porn, as well as sending photos edited in such a way. Forms and models of cyberbullying by using words more attractive to female offenders, while those using drawings, caricatures and photos more attractive to the sex offenders males. It occurs because motorically and even psychologically, the boy prefers to something visual, while girl prefers to something verbal. The analysis of cyberbullying acts of Willard (2007, pp.265-267) was used , that the model and the form of cyberbullying in the reality of Moslem teenagers Pekalongan included categories: Flaming (burning), which sends text messages whose contents are the words and includes also categories harassment (interference), ie that contain annoying messages through facebook, that is conducted continuously to drop the mental and psychologi to victim that can make the victim feels uncomfortable.

- 4) In term of the specific intention. The fact that occurred among Moslem teenagers of Pekalongan, shows that, the intention of the perpetrator to make the bully through the media, are 1) to take revenge on the victim because of anger, because of getting bad treatment in daily life or in the real world; 2) to make gossip. This is usually done by teenaged girls, because those girls regarded by their friends as pretty pretentious, pedantic, “*kemayu*” or grooming too flashy, pretentious rich and no longer rumored of seizing her boyfriend; for Bullying, harassing, insulting; because of the perpetrators’ anger, envy and dislike to the

victim; 3) to make a joke by mocking and insulting each other by using words, pictures and/or images.

Saya marah, dendam, jengkel, sering diejek di facebook.. ngejeknya pake nama Bapak. Namanya Imron, manggilnya, mrin, amrin, amrin, lagi ngopo ke... [I'm totally mad since I was often mocked via Facebook. My father's name is Imron. My friends usually called in Facebook using his name, mrin, amrin, amrin, what are you doing now?] (JSR, perpetrator, Interview dated May 7, 2014).

5) In term of the perpetrator and the victim. The reality that occurs among Moslem teenagers of Pekalongan, cyberbullying offenders are those who have the character of arrogance, selfish, pretentious (pretty pretentious, self-handsome, "kuminter" quasi-clever, and tend to be arbitrary), Meanwhile for the victim, usually because of the typical physical conditions and characters, such as silent-a weak, easily upset. Even those who can also be the victims are because of arrogance over his arrogant behavior.

Soalnya anaknya nyebelin, sok pinter, jadinya ya dibikin keki [she made me sick, so, I made her like that] (NF, perpetrator, Interview dated May 4, 2014)The Process and cycles of cyberbullying in the reality of Moslem teenagers of Pekalongan is unknown, because it is a string of interrelated between one and others. That means, the perpetrator could be a victim, on the other hand the victim could be the perpetrator or could be both sides as perpetrator and victim. If the victim shows the signs that he/she is disturbed or gives up, so that is an evidence that the offender is successful. Perpetrators feel happy and satisfied on his/her dominance. If there is justification or support from others (bystanders), so gradually the empathy of the perpetrator will disappear and bullying will continue to be more intense and more elaborated. The cycle of bullying will stop if the victim is trying to seek help or looking for ways to escape away from the perpetrator. Ways that are taken, usually asking for help from his/her friend, fighting back, taking no care as if nothing happened, yielding, and passivity with no response. This interconnected cycle of being perpetrator and victim, from victim to perpetrator is related to Desires' previous study, that there is lack of understanding on the concept of bullying, the category, the source and the impact of bullying.

3.2. Tracing the Causes and Internalization of Conformity Group in Cyberbullying.

There are some researches related to the current one. Hay and Meldrum (2012) indicated that there is basic theoretical framework of the self-harm sources: strainful social relations that are positively associated with negative emotions; these emotions, in turn, are positively associated with deliberate self-harm; and the potency of these relationships depends on other features of the adolescent's social environment and self.

Gofin and Avitzour (2012) argued that bullying is a frequent phenomenon among junior high students, and the Internet provides a new channel for perpetration. In their study, the personal and family characteristics of traditional bullies are distinctive, while it appears that all youngsters, regardless of their gender or background, are at risk of Internet bullying perpetration. Victims of traditional bullying report feeling helpless, and victims of both traditional and Internet bullying find school to be a frightening place. Further research is needed to understand youth' perceptions of bullying, particularly cyber bullying, and intervention programs should be tailored to different populations and contexts since as the availability of technology increases worldwide, cyber bullying may emerge as a new global epidemic while and Hinduja and Patchin (2013) reported that teens' cyberbullying behaviors are influenced by the behaviors of both peers and meaningful adults in their lives. This is consistent with the weight of the research on risk and protective factors associated with youth

deviant behavior more generally. Results indicate that peer behavior, or at least perceptions of peer behavior, are related to participation in cyberbullying. The study also provides additional evidence of the importance of parents and educators taking cyberbullying behaviors seriously because those students who believed that they would be sanctioned were less likely to engage in cyberbullying. In short, parents, educators, and teens themselves need to work together to establish a climate at school and in the community where bullying in all its forms is socially condemned and formally prohibited and sanctioned (when necessary). Through such efforts, the quality of relationships between all stakeholders will be enhanced, and can consequently contribute towards the establishment of healthier behavioral norms among those youth—both online and offline.

Some of the researches are in line with what happened in the reality of Moslem teenagers in Pekalongan. The fact that the causes of the cyberbullying among Moslem teenagers in Pekalongan, are:

1) internal factors. This factor comes from the character of each individual. The character can be referred to the nature, character or personality of someone who gives a characteristic, determines a person's attitude and power adjustment to the environment are relatively embedded and foreseeable. This characteristic gives an overview of a person's personality such as jovial, sad, rigid natured, petulant vengeful, envious, shy, reserved, arrogant, selfish, humorous and so on. The nature or the character eventually became one of the factors, a person doing the bullying action.

2) external factors. These factors include: information technology, environment and peer group conformity.

The information technology. Cyberbullying will not happen if there is no information technology that become the media to perform such actions. Easyness of the dissemination of information through the media increasingly invites to continue to commit acts of cyberbullying. Perpetrators prefer cyberbullying to other forms of bullying, because of negative information can be disseminated more quickly through the media and they are afraid to deal with the victims directly, and to disguise their actions.

Peer environment. This is supported by another research of Ryan (2001), that the peer group is all form of interaction with a child or teenager who has a best friend, average aged friend, with the same interests and goals. Peer environment, being very decisive factor against acts of cyberbullying among teenagers of Pekalongan. Cyberbullying is becoming a trend among them, thereby affecting other teens with the same age, because if they do not perform the same action with peer friends, they are fear of not regarded "slang" or in the local language is called the "katrok".

Group conformity. According to Sears (1994) conformity is certain behaviors that is carried out by an individual, because of another person or group perform such a behavior or act the same, although the individual likes or does not like what happened. Cyberbullying among Moslem teenagers in Pekalongan that became a trend for moslem teenagers resulting in the teens to follow a group of peers as a form of conformity to be recognized his/her existence in the group.

The need to get together and build a peer in conformity with the reality of Moslem teenagers in Pekalongan, not only in teenagers who do not like living at home, but also for those who like staying at home or homey juvenile, also still need for gathering in groups with his/her friends. That is, the need for conformity to peers not only occurs in teenagers who get less

attention and affection from their parents, but also teens who get full attention and affection from his/her parents even though they require to remain in conformity with peer-friends. This surely break the opinion of experts who stated that, teens will be more in conformity, if the relationship with their parents was not harmonic. That is not such a thing, because the conformity of the teens is more affected by the need to seek self-identity and self-existence so that they are recognized by their peers group.

This Peer group conformity as a matter of fact it has become one of the causes of cyberbullying that occurs among Moslem teenagers in Pekalongan. The Internalization of conformity into cyberbullying behavior committed by Moslem teenagers in Pekalongan intended to facilitate the process of unification themselves into peers activity ongoing, in order they are accepted easily, recognized and valued as members of peer groups. To clarify the discussion of the internalization of conformity in cyberbullying behaviors were analyzed using Sears thinking, namely: (Sears, 1994).

1) Compactness

The compactness or solidity in group is also found in the research of Hinduja and Patchin (2013) which stated that peer behavior, or at least perceptions of peer behavior, are related to participation in cyberbullying. In the case of moslem teenagers in Pekalongan, it can be concluded that the compactness starts from a sense of interest of individuals in certain groups, that encouraged him to continue to be a member of the group. This is done with an intense meeting and behave in harmony with other members of the group. The strength of the reference group, causing teens interested and want to remain to be a member of the group. The strength of relationship of the teen with reference group due to the feelings of love among members of the group and hopes to get benefit from its membership. The bigger the feeling of love among other members, and the greater of the hope to get the benefit from the groups as well as their loyalty, the more compact for the group.

The facts that occurred, cohesiveness of Moslem teenagers in Pekalongan, when making cyberbullying activity seen when they determine whom the victim, shapes and models to be used for bullying whether using words, pictures or photos, then what words are most appropriate to the victim and images That will be used by them as a compact group will be jointly determined. Compactness was also seen when they determine when and where they will make the bully action. Compactness become an important part of the strength of the peer group.

2) Agreement

The results of the participants' interview show that there is an agreement of the group in doing the cyberbullying. The agreement appears by having the same opinion, either because they believe in the group, or because of fear of getting pressure from the group if having different opinion. The reference of group opinions that has been created has a strong pressure so that teenagers must be loyal and adjust their opinions with the opinion of the group. This study shows that an agreement among members of the group when making the cyberbullying is the same as when they must determine whom the victim unanimously, models and shapes as well as the place that will be used. Meanwhile, sometimes the agreement of group members could have occurred because of they do so by forced. That means, the agreement given by the group members could be given not because of a desire in themselves, but because of the loyalty of themselves that causes unwilling of different opinion with the group even though in his heart did not agree. For example, WS (one of the perpetrators) did not agree when the peers group want to make bullying on one of her classmates, but her

disagreement was just buried inside of heart because if she did not agree, then she would be accused of disloyalty to the group. The result is against the research of Huang and Chou (2010) that peers, who were the people most teenagers would likely turn to when experiencing cyberbullying, usually took no action because of their tendency to avoid conflicts and to maintain group harmony. 3) Obedience

The Obedience is a submissive behavior following the group's decision, even though the individual actually disagrees. Pressure or demands of the reference of the teens group make him/her to do the act willingly even if teenagers do not want to do it. The obedience is the highest level compared with the compactness and agreements. The same as the agreement, obedience occurs when group members are willing to do the actions performed by the group, even though he does not want it, but the difference between agreement done to meet the group loyalty and obedience is done so that not excluded and/or removed from the group members. The Participation on making cyberbullying together with group members although in his heart does not want it, is a form of obedience that is done to keep him/her recognized, respected as part of the group members.

Based on the exposure of the above explanation, it can be concluded that the internalization of conformity in cyberbullying behavior occurs because of the compactness, agreement and obedience from members of the peer group to be recognized, accepted and valued their existence as a group member. Based on Burns, et al. (2008) the perceived pressure from friendship groups to conform influenced the likelihood that students would initiate or persist in bullying others. In some cases, to maintain inclusion in the peer group, students felt they or others needed to bully. However, there is interesting fact as the researches contrast to the research of Hinduja and Patchin (2013) that there is an evidence that 'the students who believed that they would be sanctioned were less likely to engage in cyberbullying', this is due to the parents and educators' effort in taking care it seriously.

3.3. Cyberbullying Implications for Perpetrators and Victims among Moslem Teenagers in Pekalongan

Based on the fact that among Moslem teenagers in Pekalongan, cyberbullying implications for victims, including ie: 1) for certain teenagers just make casual act, no care "cuek", nonchalant 2) Some are silent (sorrowful) no courage for any action because of fear, embarrassed in his thoughts as everyone laughing on him, less of self-confidence, feeling imperfect, feeling shunned by his friends, feeling awry, resentful, angry to themselves, isolated, withdrawn, daydreaming themselves when in class, wailing-weeping themselves, and prefer to be alone. Further effect, then those all could cause certain juvenile lazy to learn, lazy to go to school because of fear, ashamed if mocked when meeting with his friends, because he thought that all his friends know the case on him. In answering this, Rodkin (2004) in Burns, et al. (2008) expressed that a group may not only despite promoting a variety of positive social, emotional, and behavioral attributes; it also has the potential to bring out the worst in some individuals. It is suggested groups have the potential to influence personal identity and sense of self, whereas for some, groups might influence personal identity to the extent that individual autonomy and personality might be affected.

In the case of Moslem teenager of Pekalongan, as someone who became a victim, usually due to certain physical conditions that is typical, such as weak-quiet natured, easily upset. Even those who are arrogant can also be the victim of his arrogant behavior as well as the clever, for example because he/she does not give any answers key when doing examination so he/she was bullied, they were envy with his/her intelligence. While the implications for the

actors, such as: feeling satisfied, happy and even proud to have succeeded in making others suffer. Based on the results of interview with the victim, nor the victim or with the perpetrator, they stated that most perpetrators have characters of arrogant, selfish, pretentious of beautiful, of handsome, of smart, and tend to be arbitrary, but some regretted/sorry on what he has done so then finally tried to apologize for the actions that was done. This is matched with the research of Thornberg, Rosenqvist and Johansson (2012) that bullying takes place because those who bully others want to manifest, maintain or enhance their power, status or popularity, and consisted of three subcategories: the status-seeking bully, which means that people bully in order to receive or manifest high social status in the peer group (e.g., “you think you are cool, that you get ‘status’ if you bully”), (b) avoiding victimization, which means that people bully in order to protect themselves from bullying (e.g., “you could bully in order to avoid being a victim of bullying”), and c) power-seeking bully, which means that people bully in order to show, get or enhance their power over others (e.g., “they want to show you their power”).

In short, the cyber bullying in **Moslem teenagers in Pekalongan** occur in three terms: compactness, agreement and obedience. The first, as in the research of Hinduja and Patchin, the solidity was done in the planning, the discussion of place of executing the victim, in what media (fb, BBM, facebook), execution the cyber bullying, etc. The second, that the agreement exist due to the group loyalty, and conformity. For the last, conformity, there is a link between agreement and obedience. There are two indicators whether someone is conformed or not conformed, they are: 1. the needs to be accepted in a group, and 2. factors causing an individual choosing conform or not conform, cohesiveness, the size of the group, descriptive norms and injunctive norms, 3. Factors affecting the conformity: personal, and situational factor.

4. Conclusions and Recommendations

The findings presented here support a basic theoretical framework for studying cyberbullying in Moslem Teenagers of Pekalongan, they are: 1). the behavior of cyberbullying among these teenagers were presented in the forms of media such as FB, Twitter, and BBM. This was done by using words, or pictures. 2). That the group conformity in cyberbullying behavior existed due to the compactness, agreement, and obedience. 3). The implication for the offenders and the victims ranged from being ‘silent’, feeling ‘*nelangsa*’ or lonely and having no friends around, feeling ‘*geregetan*’ or mad, but can not do anything, to feeling ‘*luweh-luweh*’ or apathetic. For the perpetrator, they range from the reaction of happy and satisfied of able to do the oppression to the victim, however, there are also some of them who were feeling guilty.

Cyberbullying is becoming a trend among Moslem teenagers in Pekalongan, as group conformity internalized in their environment. This brings negative impact for the perpetrators and the victims. Hence, a comprehensive approach is needed by involving the parents, school and government to overcome this problem.

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The Relationship between Permissive Parenting Style toward Delinquent Behavior among Children in Sabah

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Abstract

This study examined the relationship between permissive parenting styles toward delinquent behavior among children in Sabah. A total of 193 delinquent children aged 12-18 years old were selected by using purposive sampling method from four correctional institutions in Sabah, which known as Sekolah Tunas Bakti and Taman Seri Puteri. Both were under the supervision of The Department of Social Welfare, Malaysia, and Sekolah Henry Gurney Kota Kinabalu and Sekolah Henry Gurney Keningau which were organized by Prison Department of Malaysia. The revised version of the Junger Delinquency Scale and the Paulson's Perception of Parenting Style were used in this study. The results showed significant positive relationship between permissive parenting styles with delinquent behavior. Recommendations, suggestions are discussed in this study.

Keywords: Permissive parenting style, Children, Delinquency

1. Introduction

Malaysia is facing the risen of delinquency cases as shown in the statistic reports. Referring to the recent studies (Lim, Hasbullah, Ahmad and Wu, 2013) showed that, juvenile cases have risen steadily since 2002. Daily newspaper reports with new titles such as "Mat Rempit", "Bohsia and Bohjan", "Infanticide", "Drug Abusers", "Rape", "Abortion" that frequently appeared at the front page of our local newspapers are the evidences of the increasing delinquency behaviors among adolescents. Based on the news report, the police recorded 6048 juvenile cases in 2009 compared with 2955 cases in 2002. According to the analysis based on the Drug Report, 2012 (National Anti-Drug Agency of Malaysia, cited in Lim, et al., 2013, p. 215) from January 2012 to September 2012, among 6935 drug abusers, young people were comprised of 4618 abusers. In 2011, there were 5547 juvenile cases in Malaysia where males involved in 5270 cases while females involved in 277 cases. In addition, referring to the statistic report issued by Department of Social Welfare (2009), there were 3862 delinquency cases, where females, involved in 232 cases. The highest reported cases were recorded in Johor with 27 females involve in 27 cases and the lowest cases were reported in Sabah with 94 cases, including Labuan territory with 16 cases. In 2010, the numbers of delinquency cases increased by 603 cases and the total cases for this year were 4465, where females, involved in 282 cases. Meanwhile, in 2011, there were 5547 cases where males involved in 5720 cases and females involved in 277 cases.

Parenting and family interactions are thought to play a critical role in children's development and often key targets in clinical interventions for children with behavioral problems (Thakar, 2008). According to (Baumrind, 1991) and (Baumrind, 1978) as referred in (Alizadeh, Abu Talib, Abdullah and Mansor, 2011), the family is a social-cultural-economic arrangement that exerts significant influence on children's behavior and the development of their characters. Any ignorance on the part of parents may lead to unwanted damaging effects on children growth's and thereafter may create misbehavior problems in children. Parenting is a composite activity that is the sum of many particular behaviors working together or individually, to finally have an effect on the child's behavior. The significance of the family's roles on the development of children behavior, can be seen through the parenting styles practiced by the parents. Meanwhile, (Baumrind, 1971) in (Wittenborn, 2002) has defined parents into two dimensions, in which known as demandingness and responsiveness. Parental demandingness is the degree to which parents set guidelines for their children, and how they discipline based on these guidelines. Parental responsiveness is the emotional aspects of parenting. Responsiveness refers to the degree to which parents attend to their children's needs and support their children. Authoritative parenting is high in both demandingness and responsiveness. Authoritarian parents are often high in demandingness and low in responsiveness. Permissive parenting, is low in demandingness and high in responsiveness. The concepts of responsiveness and demandingness, therefore, identified these three styles of parenting. In authoritative parenting, the parents monitor and discipline their children fairly, while being very supportive at the same time. This is generally considered the best environment in which to rear children. Authoritarian parents are often strict and in some families, unfair in punishing their children. They are often described as "cold" and unemotional. Depending on cultural context, rigid discipline can be harmful to a child as he or she is maturing. Permissive parents do not impose rules on children; their children can do what they want when they want. Permissive parents can either be supportive (indulgent) or not care about their children (neglectful). This style of parenting can also be harmful to a developing child (Wittenborn, 2002). According to the above, parenting style has a relationship in leading toward delinquent behavior among children. Discussion on the literature beforehand, shows that, there were myriad of studies done in examining the relationship between parenting styles and delinquent behavior. Ironically, in Malaysia, the number of delinquency cases rose significantly. According to the Baumrind concept of parenting style and the dimensions of responsiveness and demandingness, it is assumed that different kinds of parenting style practiced by the parents lead to children behavior.

In the other angle of discussion, as in Sabah itself, there were few dominant issues encompassing the society till now and it is quiet worrying on the possibility of its relationship toward the development of practiced parenting styles among parent. As such, according to (Tajari and Affendi, 2015), in Sabah, foreign workers have been the crucial elements in the economic development of Sabah. These workers mainly come from Indonesia and the Philippines. Besides that, Sabah is also employed immigrants from many countries such as China, India and Pakistan. One could not ignore the massive economic contribution of the immigrants to the development of the state. In a nutshell, there are needs toward these foreign workers to stay in Sabah for certain period. At the same time, the proximity of Sabah to the Philippines and Indonesia is one the main factor that never fails to attract the immigrants to come back to Sabah. During that needed lengthy of time and the resiliency of these peoples, have we ever think on the risk of the reciprocal effect of the socialization process among these illegal immigrants and the locals?.

Another uniqueness of Sabah, yet, in the other side of the coin, might be jeopardizing the socialization process of Sabahan, specifically the children, is the interethnic marriage among couples. Although, in (Chua, Bahari, Madlan, Mutang and Aftar, 2012), interethnic marriage in Sabah has been regular practice since years ago and has been one of the main contribution to the formation and maintenance of harmony and unity among communities in Sabah. Nevertheless, the occurring yet worrying arisen issue might be on how parent reared their children, as well as shaping on how the children behave. Studies by (Skowronski, Fong Tay, Ho, Toh, Fernandez and Waszynska, 2014), with the arrival of an intercultural couple first child, issues like religion and parenting style to raise a child often pose as a matter that requires careful consideration and needs to be negotiated; otherwise problems and disagreements may arise when a couple is unable to decide on which belief system should they pass on to their children. The critical concerns of child rearing include disciplinary methods which might differ for the two spouses due to their respective philosophy, values and beliefs.

It seems that permissive parenting style seems to suits the current situation of local peoples, according to the theoretical concept of demandingness and responsiveness on parenting styles, the cultural openness on the marriage and the immigration issue, and also the geographical aspects as discussed earlier. Therefore, in order to proof that this assumption is true and reliable, this study aims to investigate that through empirical investigation to build the significant discussion on the practiced parenting styles in Sabah.

2. Research Method

Setting

This study was carried out in four correctional institutions in Sabah. These institutions were monitored and supervised by The Prison Department of Malaysia and The Welfare Department of Malaysia.

Participants

The respondents consisted of 193 delinquent children aged from 12 years old to 18 years old whom were selected by purposive sampling. The approval from The Prison Department of Malaysia and The Welfare Department of Malaysia were obtained through official procedure. Self-administered questionnaires were distributed to the respondents in the institutions. Instructions in answering the questionnaire form and confidentiality of the study were explained to the respondents. Questionnaires were promptly collected upon the completion of the process.

Instruments

The revised version of The Junger Delinquency Scale (cited in Baharom, 2006, pp. 177-179) was used to measure the delinquent behavior among the respondents. This scale measured the frequency of delinquent behavior done by the respondents before being ordered to undergo the rehabilitation program in correctional institutions by the authorities. The Junger Delinquency Scale consists of four types of delinquent behavior which categorized into physical delinquency, antisocial delinquency, sexual delinquency and verbal delinquency. This inventory is a five-point Likert Scale ranging from almost never, sometimes, seldom, often and always. Higher score indicates higher frequency of delinquent behavior showed by the respondents. The Cronbach's alpha for this instrument was .945.

The Paulson's Perception of Parenting Style (cited in Baharom, 2006, pp. 173-177) was administered to measure the permissive parenting style practicing by parent of the respondents. This scale measured the perception of respondents toward the parenting style practiced by their parents by responding strongly disagree, disagree, less agree, agree and strongly agree. The Cronbach's alpha for the instrument was .501.

Findings

Table 1: Correlations between permissive parenting styles toward delinquent behaviour among children in Sabah

Independent Variable	Dependent Variable	Sig.
Permissive parenting style	Delinquent behaviour	.329**

Note. 1: Delinquent behaviour; 2: Permissive parenting style

* $r < .05$ ** $p < .01$

The correlations result between permissive parenting styles toward delinquent behavior among children in Sabah. Based on the result from Table 1, permissive parenting style has a positive relationship toward delinquent behavior among children in Sabah, ($r = .329$, $p < .01$).

3. Discussion

The findings in Table 1 indicate that there is a significant relationship between permissive parenting style and delinquent behavior, ($r = .329$, $p < .01$). This showed that children who are highly treated with permissive parenting style by their parent are more likely to be involved in delinquent behaviour. As in the discussion earlier stated that permissive parentings referred to the parenting style which children can do whatever they want at any time they want. Regardless previous research showed that permissive parenting style is less related toward delinquent behavior, yet, this situation is different in Sabah. According to the discussion in the introduction, it can be well understood that the concept of parenting styles practised in Sabah in which low in demandingness and high in responsiveness might be developed via the interethnic marriage among Sabahan couples, who weren't imposing specific rules on their children and the tendency of being supportive and neglectful, as both parties doesn't have any strict rules on their daily parenting relationship, in the other word, they are open minded on anything. The children themselves will be facing harm on their development onwards.

As for the parents, the findings of this study is vital for them in throwing back their styles of parenting which suits the nature of their family and the personality of their children. According to Regoli and Hewitt (2003, pp. 259), effective parenting depends on many things. The quality of parenting (as well as interactions within the family) changes as a child misbehavior or delinquency increases over time. The importance of self-reflection among parents toward their own behavior, as this will determine how their children behaving. Moreover, despite merely accepting permissive parenting style as the causal factor in which having significant relationship toward the current situation on the behaving of children nowadays, it is miles better if parents also realized their own roles on how they children behaving. From the researcher point of view, I am urging to those related parties, specifically, these two discussed parties, to expand the scale of looking on children's behavior issues from plethora of background. Discussion should be in depth on the action onwards the issue, shouldn't be narrowed down on minorities, neither on the nature nor the nurture on this behavioral problem.

In developing a thorough understanding on the occurrence of the behavioral problem among children as shown through the reported delinquency cases, further research is needed. It is nothing more, nothing less. In this study, thorough understanding encompassing two main categories of peoples, first referred to the front liner in dealing with delinquent children. For such, researchers, parents, children welfare officers, social workers, rehabilitation officers, police and policy makers. Meanwhile, the second category goes to community, school teachers and any other layman whom are interested in knowing about children delinquency. The importance of research can be considered as referring to Trojanowicz and Morash (1987), vigorous research is necessary to identify the many variables related to the phenomenon of juvenile delinquency. Meaningful research can contribute to the establishment of the theoretically sound treatment, prevention, and control programs. Research can provide a sound basis on which successful programs can be replicated in different environments and communities. Mutual understanding and strong based of empirical knowledge can lead into significant action into behavioral problem interventions.

Despite the enthusiasm in investigating to what extent parenting styles can affect parenting styles of the parents, it doesn't mean that we should cutting down all the loveable facts of Sabah. For instance, mix marriage among ethnicities in Sabah. This studies didn't measuring the influence of interethnic marriage on the parenting styles, but, suggesting further research on that. The suggestion is based on the literature review in which saying that intercultural couples are prone to facing conflict in rearing their first child. The consequences of that disagreement may be influencing parents in practicing their own ideal parenting styles. In broad point of view, the loss of this type of attraction, is something very disappointed to the country. Sabah might lost it's identity in which showing the openness of its people in welcoming their new family members, and our country also, facing obstacles in attracting international tourist whom are interested to experience another rare elements in Malaysia.

In the other, apart from focusing on the biological parental issues, it is also vital to investigate or exploring further on the issues occurred inside the rehabilitation institutions. The focus includes the perceptions among wardens and the administrative officers on the possibility or the readiness of these delinquent children to be intervened during the period of their rehabilitation sentence. Other than that, future research should considering the status of the rehabilitation officers, in which, maybe, they are also a biological parent toward their own children, the more they playing their role as a guardian toward delinquent children in the institutions, the lesser they spend their quality time with their own biological family. So then, the cycle on the development of delinquent behavior among children is repeated all over again. Not only having that as another point of worrying, whilst the statistic of delinquency cases will also increase and never decrease. Research is overloaded and findings are many and the facilities is improved. Yet, the statistics remains unstable since years.

4. Conclusion

This study has investigated the relationship between permissive parenting styles toward delinquent behavior among children in Sabah. The finding has shown that, permissive parenting style wasn't the effective parenting style to be practised among children in Sabah local context. Last but not least, it is also suggested that, meaningful research on the parenting styles will be done widely, as a part of the response on the rising delinquency cases. The comparison between many researches which had been done in various settings of clientele, will give myriad of benefits toward delinquent children, especially whom are undergoes the rehabilitation programs. As stated earlier, the limitation of this study was the

difficulties in getting large sampling of respondents due to the policy of the correctional institutions. It is hoped that the procedure will be considered in the future for the sake of developing a thorough understanding delinquent behavior among peoples.

5. Acknowledgement

I would like to express the deepest appreciation to my Master of Social Work Dissertation Supervisor, Associate Professor Dr Zulkarnaen Ahmad Hatta, for the knowledge sharing and guidance for me through the process of doing this research in 2012. I would also like to appreciate my academician colleges in Faculty of Psychology and Education, Universiti Malaysia Sabah for their emotional support and Universiti Malaysia Sabah for the scholarship for my studies. Last but not least, I also want to thank The Prison Department of Malaysia and The Welfare Department of Malaysia for the permission on the data collection in rehabilitation institutions.

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Students' Self-Efficacy: Does Work-Integrated Learning Matter?

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Abstract

Work-Integrated Learning (WIL) has been empirically proven to provide graduating university students with the necessary soft skills for employability. This paper attempts to provide an empirical investigation into the impact of soft skills, acquired by university students during their WIL programs on the students' psychological attributes, the students' self-esteem and self-efficacy. The study also investigates the mediating role of self-esteem between the soft skills and self-efficacy. By utilising purposive sampling, data was collected from 205 accounting students of four public universities, the study's findings indicate that there is significant relationship as both thinking skills and communication skills predict self-efficacy. The results also revealed that self-esteem is significant as a mediator between the IVs and self-efficacy. Hence, the paper bridges the existing literature on soft skills and self-efficacy with self-esteem playing a significant role as a mediator.

Keywords: Work integrated learning, Soft skills, Self-efficacy, Self-esteem.

1. Introduction

Work- Integrated Learning (WIL) programs support students in developing the ability to analyse, evaluate, reflect and resolve a range of issues that occur during their experiential lifecycle. The value of WIL to the students is the learning experience itself, where it is generally accepted as a powerful vehicle for developing generic and professional skills, thereby providing students with the opportunity to improve their employability and work readiness (Freudenberg et al., 2011; Subramaniam and Freudenberg, 2007; Yorke, 2011). Studies by Orell (2001), Freudenberg, Bramble and Vyvyan (2010) and Costley (2007) collectively concur that students' participation in WIL result in improved job knowledge, skills and attitudes. Furthermore, according to Rickard (2002) and Lizzio and Wilson (2004) WIL outcomes for students include enhancement in personal skills and competencies such as decision-making, interpersonal and self-management skills. While it is established that WIL provides the transition from theory to practice. Yet, what the students gained during WIL programs is much more valuable and transcends the improvement in employability skills and competencies. Purdie et al. (2013) opines that the actual benefit of WIL is its' effect on the university students psychological attributes and this contribution is perceived to be much more significant that it eclipsed the development of basic competences. The underlying assumption that the study holds is that WIL will provide university internship students with the necessary soft skills and the soft skills obtained will affect the students' self-esteem and self-efficacy. The study also looks into the role of self-esteem as a mediator.

2. Literature Review

Therefore, the main objective of this study is to unveil the relationship between the soft skills obtained during WIL and its' effect on university students' psychological attributes. The psychological attributes utilized for the study is based on the two psychological domains identified by Cuzzi et al. (1996) and Crebert et al. (2004), they are: self-esteem and self-efficacy.

2.1 Soft Skills

Soft skills are defined as the “interpersonal, human, people or behavioural skills needed to apply technical skills and knowledge in the workplace” (Weber et al. 2009). Moss and Tilly (1996) define soft skills as: “Skills, abilities, and traits that pertain to personality, attitude and behaviour rather than to formal or technical knowledge”. Malaysia’s Ministry of Higher Education (MOHE) categorised soft skills as: communication skills, critical thinking skills, teamwork skills, continuous learning, entrepreneurship, ethical and moral professional skills, and leadership skills (Mohamad Sattar et al., 2013). According to Rainsbury et al. (2002) soft skills are skills often referred to as interpersonal, human, people, or behavioural skills, and place emphasis on personal behaviour and managing relationships between people.

Research shows that employees had been able to improve their soft skills with experience and practice (Hager, Crowley and Garrick, 2000). According to Andrews and Higson (2010), excellent verbal communication skills are also necessary in order for graduates to feel confident in their abilities to communicate the knowledge they have attained during their studies. Studies have also emphasized that effective communication skills are essential for career success (Baker and McGregor, 2000; Borzi and Mills, 2001). In their survey of Fortune 500 executives, Lee and Blaszczyński (1999) found that, in the long run, the perceived importance of technical skills decreased while the perceived importance of communication skills, computer skills, and group skills increased (Lin, Krishan and Grace, 2014). According to Vathankah et al. (2013) soft skills such as communication skill accord individuals with the ability to convey their needs more effectively and equip them with the competence to understand the needs of others. Shover (2003) is of the opinion that communications skills lead to improvement in self-esteem, as it enhances interpersonal relationship, instil positive behaviour and coping skills.

According to Kennedy (2010) higher-order thinking skills act as enabler for developing employability skills, for transferability of such skills, and for continuing further development of employability skills across the lifespan. Critical thinking or higher-order cognitive skills enable individuals to participate actively in knowledge development and to become independent lifelong learners (MacLellan, 2004). The development of thinking skills has long been considered to be a core outcome of education and a stated objective of higher education (Tsui, 2002).

2.2 Self-Esteem

Self-Esteem as a personality variable has been widely researched, perhaps because of the belief that it can influence how we as individuals think, feel, and accordingly behave (Brockner, 1988). Qureishi et al. (2011) defines self-esteem as to how an individual assesses himself and this is related to the person’s self-worth. As described by Korman (1970), self-esteem is an overall evaluation of our self-worth and the extent to which an individual sees

himself or herself as a “competent need satisfying individual” (p. 32). The primacy of personal self-esteem in popular and academic circles has accorded it relative “super status” among psychological constructs (Kling, Hyde, Showers and Buswell, 1999, p. 472). Furthermore, persons with high organization based self-esteem show a stronger career orientation or are less interested in slowing down on the job than people with low self-esteem (Carson, Carson, Lanford and Roe, 1997). Typically such opinions evoke the notion that individuals with high self-esteem are motivated to do well on the job to maintain cognitive consistency with their high self-evaluations (Brockner, 1988), which provides a buffer against role stressors that would otherwise impede workplace motivation and performance belief in the positive power of high self-esteem, empirical research on high self-esteem’s beneficial effects has been decidedly mixed.

2.3 Self-Efficacy

Self-efficacy is a type of internal confidence of oneself towards his or her ability to achieve goals. It drives the motivational development of a person that led them to achieve their objective. The inter-relationship between individual absorptive capacity and self-efficacy is obvious since the level of confidence of oneself towards their ability is related to their perceived capabilities that they have. Without prior related knowledge or experience in any related areas, it is hard for any individual to believe in their ability in achieving any goal in that discipline since the confidence level of oneself comes from their absorptive capacity level (Fakhrorazi, 2013). Self-efficacy appears to be a core motivational element that leads to better achievement of a task. As it plays an important role in personal motivation, well-being, and accomplishment, self-efficacy can act as an inducement for individual to take action or persist when facing difficulties; if they believe that their action will result in the desired outcomes (Pajeras, 2002). Bandura (1986) also added that self-efficacy will determine the depth of the effort of an individual that they can perform, in addition to the length of the time that they can persevere to face obstacles. Furthermore, self-efficacy also determines the extent of effort and perseverance that individuals can take to overcome any obstacles and difficulties that they face. This statement is clearly supported in Bandura (1986) as he mentioned "what people think, believe, and feel affects how they behave" (p. 25).

In social science, self-efficacy is the motivational force that can influence someone to perform certain behaviour, to endure the challenges, obstacles, and difficulties (Stajkovic and Luthans, 1982). Acquiring new knowledge is considered as challenging behaviour for an individual since the process of knowledge acquisition involves sophisticated learning activities that require integration between both cognitive and behavioural elements during the learning process. According to Komaraju and Dial (2014) empirical evidence suggests that students who feel more competent tend to experience greater self-determined motivation and show greater persistence; in contrast, an unmotivated student have the least self-determination and are more apathetic and disengaged.

3. Methodology

The sampling design for the study utilised purposive sampling as it targets specific group of respondents. Data were collected from 205 students from four public universities in Malaysia. They are undergraduates in business degree programs, who were majoring in accounting and are soon-to-graduate. Most importantly this group of students have undergone internship for six months according to Malaysian Institute of Accountants professional requirement. 400 questionnaires were distributed, with 205 surveys returned indicating 51.3% rate of return. A

self-administered survey that rates the level of self-esteem using the Rosenberg Self-Esteem Inventory (Rosenberg, 1965) was used. The Rosenberg Self-Esteem Inventory was used because it is referred to as generally the standard tool against which other measures of self-esteem are compared. It is composed of 10 questions and scored using the five-point response scale, ranging from strongly disagree to strongly agree. The general self-efficacy scale was adopted from Chen et al.'s (2001), it is composed of eight items and measured using five-point response scale, ranging from strongly disagree to strongly agree. Thinking skills and communication skills were adopted from Mohamed Shukri, Rafikul Islam and Noor Hazilah (2014). Thinking skills contains eight items and measured using five point responses ranging from strongly disagree to strongly agree. Communications skills contain eleven items and measured using five point responses ranging from strongly disagree to strongly agree.

4. Findings

Correlation analysis is employed to determine the direction and significance of the bivariate relationships of the variables (Sekaran, 2006). Based on the result in table 1, there are 8 correlations between the independent variables and dependent variables that are statistically significant.

Table 1: Correlation between Variables

Variables	Alpha	M	1	2	3	4	5
Thinking skill	.821	3.05	1	.540**	.618**	.327**	.542**
Communication skill	.794	4.04			.588**	.381**	.518**
Self-esteem	.850	2.91					.499**
Self-efficacy	.866	3.06					1

N=205,*p<.05
**p<.01

Simple and hierarchical regression using SPSS was conducted to test the significance of the relationship between the variables. The statistical test was conducted in compliance with Baron and Kenny's (1986) requirement in order to meet the criteria of a mediating relationship. The results are outlined in table 2 and table 3.

Table 2: Hierarchical Regression between Variables

	R	R ²	Δ R ²	β
Thinking Skills › Self Efficacy	.542	.294		.542**
Self-Esteem › Self Efficacy	.499	.249		.499**
Thinking Skills › Self- Esteem	.327	.107		.327**
Mediator: Self- Esteem	.641	.410	.116	.361**

Note *= p<.05; **= p<.01

Table 2 demonstrates that Thinking Skills are significantly and positively related to Self-Efficacy ($\beta=.542$) as Thinking Skills explains 29.4 % of the variation in Self- Efficacy. Self-Esteem was found to significantly and positively impact on Self-Efficacy ($\beta=.499$). Thinking Skills also significantly impacts on Self-Esteem ($\beta=.327$). With the inclusion of Self-Esteem as a mediator, the results indicate that the predictive power in the R^2 increased from 29.4 % to 41 % ($\Delta R^2=.116$). The first model was significant ($\beta=.542$) and so was the second model ($\beta=.361$). The coefficient decreased from .542 to .361, while the final model remained significant indicating partial mediation. Thus, the following hypothesis is accepted: Self-Esteem partially mediates between Thinking Skills and Self-Efficacy. This proves that Self-

Esteem has intervening effect in the relationship between Thinking Skills and Self-Efficacy, though it is only partial mediation, that is, part of the effect of Thinking Skills is mediated by Self-Esteem but other parts are either direct or mediated by other variables not included in the model.

Table 3: Hierarchical Regression between Variables

	R	R ²	Δ R ²	β
Communication Skills ›Self- Efficacy	.518	.269		.518**
Self-Esteem› Self Efficacy	.499	.249		.499**
Communication Skills› Self-Esteem	.381	.107		.381**
Mediator: Self- Esteem	.623	.388	.119	.373**

Note *= p<.05; **= p<.01

Table 3 demonstrates that Communication Skills are significantly and positively related to Self-Efficacy ($\beta=.381$) as Communication Skills explains 26.9 % of the variation in Self-Efficacy. Self- Esteem was found to significantly and positively impact on Self-Efficacy ($\beta=.499$). Communication Skills also significantly impacts on Self-Esteem ($\beta=.381$). With the inclusion of Self-Esteem as a mediator, the results indicate that the predictive power in the R^2 increased from 26.9 % to 38.8 % ($\Delta R^2=.119$). The first model was significant ($\beta=.518$) and so was the second model ($\beta=.373$). The coefficient decreased from .518 to .373, while the final model remained significant indicating partial mediation. Thus, the following hypothesis is accepted: Self- Esteem partially mediates between Communication Skills and Self-Efficacy. This proves that Self-Esteem has intervening effect in the relationship between Communication Skills and Self-Efficacy, though it is only partial mediation, that is, part of the effect of Communication skills is mediated by Self-Esteem but other parts are either direct or mediated by other variables not included in the model.

5. Conclusion

The findings of this research indicate that WIL does have a meaningful impact on the university students' self-efficacy. The direct relationships between the IVs and self-efficacy are found to be significant. The addition of self-esteem as a mediator into the measurement further revealed that self-esteem's role as a mediator is proven to be significant between thinking skills, communication skills and self-efficacy. Even though it was partial mediation but it signals the potency of WIL in building self-esteem and self-efficacy of the graduating students.

The results of this research are important, as they not only demonstrates the importance of WIL in providing students with the necessary soft skills, but also, once the students obtain these soft skills, it results in improvement of their self-esteem and self-efficacy. This is meaningful as it proves the significance of WIL programs in shaping the psychological attributes of the students, as both self-esteem and self-efficacy are important components in building the students' determination and confidence. Both are important elements as they make the students more appealing for future employers. Therefore, WIL is not solely about obtaining essential generic skills to gain employment in the future but it also shapes the students psychological attributes throughout their working career.

6. Acknowledgement

The authors wish to thank Universiti Sains Malaysia for financial support under Fundamental Research Grant Scheme No. 203/PMGT/6711447.

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Brainwave Theta Signal Responses during Receptive Auditory Quranic and Non-Quranic Stimulation: A Pilot Study

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Abstract

Rhythmic perception often invokes desirable responses from both emotionally and bodily reactions. These physical and physiological responses are recognised to promote a sense of calmness and general well-being, despite unclear underlying neural mechanisms in the brain. This preliminary study examines the neural representation involving auditory stimulation of rhythmic Quranic verse and non-Quranic rhythms. Six healthy adult volunteers (3 muslims, 3 non-muslims) were consented, recruited and underwent EEG recording of the brain activity for theta power as an indicator of state of calmness. Using eight different stimuli, a real-time recording of the brainwave signals (theta power in $1\mu\text{v} \times 10^{-6}$) were analysed by fast fourier transform to approximate the brain areas that emit these signals. The brainwave theta power for Quranic verse with *Murattal Asim* recitation form (mean \pm sd, 12.7 ± 28.4) showed high power significance compared to *Tarannum* recitation form (3.24 ± 3.83) ($p=0.002$). When Quranic verses recitation forms were compared to non-Quranic rhythms, recitation form of *Murattal Susi* (2.12 ± 3.92) revealed high power in theta brainwaves compared to *Hare Krishna* chanting (1.35 ± 1.82 , $p=0.05$) and *Monochord* tone (1.91 ± 2.30 , $p=0.029$). As for non-Quranic rhythms, *Monochord* (1.91 ± 2.30) indicated high theta power compared to *Hare Krishna* (1.35 ± 1.82) ($p=0.08$) whereas Arabic Poem (1.24 ± 0.93) showed lower power compared to *Hare Krishna* (1.35 ± 1.82) ($p=0.048$). The preliminary result of this study suggests that rhythmic Quranic verse recitations elicit the theta responses more readily in human brain compared with conventional non-Quranic rhythms.

Keywords: Theta brainwave; Quranic rhythm; Spontaneous MEG; EEG

1. Introduction

Music therapy has been used in rehabilitation to stimulate brain functions involved in movement, cognition, speech, emotions and sensory perceptions (Bradt et al., 2010). Individuals with moderate depression are suggested to use music as their therapy to enhance the effect of psychological support. This therapy has statistically significant effect and showed a better improvement in their symptom compared to psychological support alone (Castillo-Pérez et al., 2010). Several brain areas are known to be involved in musical features

processing (Alluri et al., 2013). Hodges and Wilkins (2015) reported an increased in default mode network (DMN) when listened to music. DMN is the interconnected region in the brain that becomes active during resting and mind wandering (Tang et al., 2015). It will become less active when persons become more engaged towards the outside world and doing tasks. In addition, listening to preferred and favorite music increased the connectivity at the frontal part of the brain (Hodges and Wilkins, 2015). It has also been shown that spectral power changes in the theta and alpha frequency band occurred with relaxation and meditation approach (Jacobs and Friedman, 2004). Meditation approaches include a group of intricate practices such as mindfulness meditation, mantra meditation such as *Hare Krishna*, yoga and *Zen* meditation. Aside from these, monochord sound has also been reported to alleviate pain, enhance body perception and relaxation, and often used in music therapy (Lee et al., 2012). Theta brainwave in particular, has received considerable attention from researchers (Hsieh and Ranganath, 2013) with observation of activations in the pre-frontal cortex and the anterior cingulate cortex of the brain, although involvement of theta brainwave in relation to the calming effect of rhythmic Quranic verse recitation remains unexplored. Such brain signal can be recorded using electroencepalography (EEG) and magnetoencepalography (MEG) (Bressler and Kelso, 2001; Kamal et al., 2013). In the present research, we report preliminary result that aimed to uncover the neural representation for the rhythmic Quranic verses in comparison with non Quranic rhythm.

2. Material and Methods

Participants - Inclusion and Exclusion Criteria

Six normal and healthy young adults (four males and two females, 21-35 years old) from multi-ethnic/religion background (3 Muslims, 3 non-Muslim) were recruited and consented. The subjects were excluded if they have history of mental and psychiatric, neurological illness or any medical problems, have hearing problems that prevented them from listening well, have movement disorders (i.e; tics, restless leg), have any metal based implant, pin, or clip, neurostimulator, using braces, cochlear implant or any metal based machine that cannot be removed from the body before entering MEG room and the head size bigger than the MEG machine. Subjects were then subjected to the MEG-EEG real-time recording in magnetically shielded room at MEG-EEG laboratory, Hospital USM. The study had received the Ethical Approval from USM Human Ethics Committee (FWA Reg No: 00007718; IRB Reg No: 00004494).

Stimuli

Spontaneous pre-auditory test was applied to all participants as the control stimulus. There were two categories of stimuli (Quranic verses and non-Quranic rhythms) of receptive listening. Quranic rhythm included the recitation of Quran with different styles (Murattal Asim Tartil, Murattal Susi and Tarannum Asli) while second category represent by sounds of Hare Krishna chanting, and Monochord. Arabic News and Arabic poem were used as the negative controls.

EEG data acquisition

All the volunteers underwent a spontaneous EEG (figure 1) recording of the whole brain. The measurement was obtained by the whole head Elekta Neuromag 306-channels MEG system (Stockholm, Sweden) simultaneously with compatible Waveguard EEG cap 61 electrodes from Antneuro(German) in seated position. Using eight different stimuli, the receptive listening data acquisitions were conducted in awake state with eyes closed for three minutes per stimulus and one minute gap before the next stimulus presentation. An anti-aliasing (low

pass filter) was set at 330Hz, 0.1Hz as the high pass and the sampling rate was set at 1000Hz.

Pre-processing

Spatiotemporal signal space separation (TSSS) was applied to each raw data to reduce the movement artifacts for signal arising from inside or outside of the sensor arrays, biomagnetics sensors or external interference sources according to previous protocol (Gross et al., 2013; Taulu and Simola, 2006; Taulu et al., 2005).

Spectral Analysis

A real-time recording of the brainwave signals (theta power in $1\mu\text{v} \times 10^{-6}$) were analysed by fast fourier transform to approximate the brain areas that emit these signals that represented the emotional state of calmness (figure 2). We investigated the various frequency bands from low frequency to high frequency (delta, theta, alpha, beta and gamma) for left frontal (Fp1, AF3, AF7, F1, F3, F7, FC1, FC5, FT7), right frontal (Fp2, AF4, AF8, F2, F4, F8, FC2, FC6, FT8), left parietal (P1, P3, P7), right parietal (P2, P4, P8), left temporal (T7, TP7), right temporal (T8, TP8), left occipital (PO3, PO7, O1), right occipital (PO4, PO8, O2) and midline brain (Fpz, AFz, Fz, FCz, Cz, CPz, POz, Oz). These EEG raw data were transformed to frequency domain by non-parametric methods, Fast Fourier Transform (FFT). The FFT size was set at 1024 and its step was 512 using Hanning window. The spectral analysis involved the transformation of signals in time domain into the frequency domain. Oscillatory signal component was defined in time frequency domain with a more compact representation in the spectral domain (Gross et al., 2013). Data were analysed by non-parametric independent t-test using IBM SPSS 22.0.

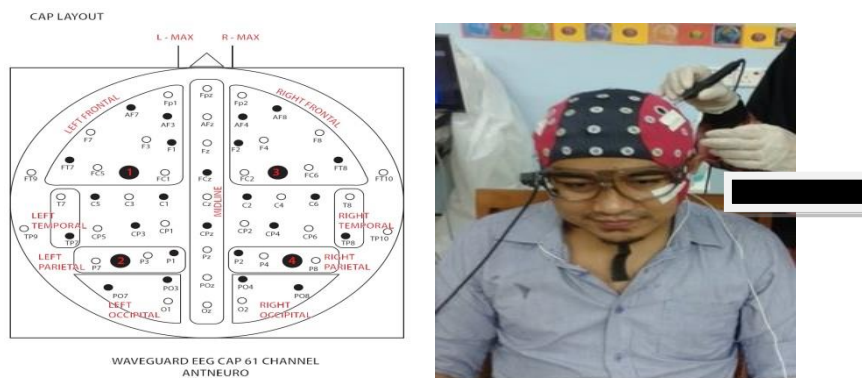
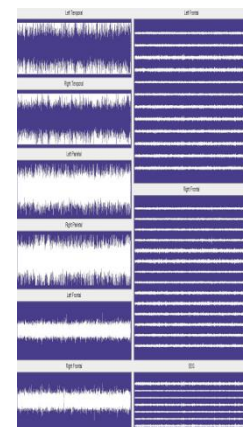


Figure 1: Left- Layout of WaveGuard EEG cap 61 channels and selected 45 points of interest. Right- WaveGuard EEG cap 61 channels was placed on a volunteer head.



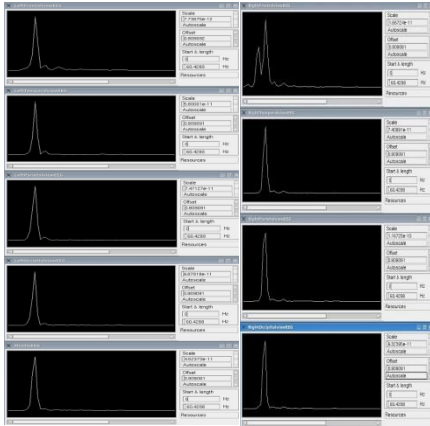


Figure 2: A real time recording from MEG and EEG. Left: During recording in MEG room. Right panel: Signal in time domain and Signal in frequency domain

3. Result

Table 1 showed the brainwave theta power for various Quranic verses and non-Quranic rhythms. The recorded activity from right and left frontal areas for theta power implies correlation with the state of calmness.

Table 1: Mean and SD of theta power (1×10^{12}) with t-test

BIL	PAIR*	N	MEAN**	SD	CORRELATION	SIG
1	Murattal Asim vs Tarannum Asli	6	12.7833 3.2427	28.4703 3.8368	.967	.002
2	Murattal Susi vs Hare Krishna	6	2.1208 1.3538	3.9236 1.8226	.941	.005
3	Murattal Susi vs Monochord	6	2.1208 1.9167	3.9236 2.3025	.857	.029
4	Hare Krishna vs Monochord	6	1.3538 1.9167	1.8226 2.3025	.926	.008
5	Hare Krishna vs Arabic Poem	6	1.3538 1.2410	1.8226 .9383	.815	.048

*Significant with $p < .05$ **mean in 10^{12}

Intriguingly, when Quranic verses recitation form were compared to non-Quranic rhythms, recitation form of Murattal Susi (2.12 ± 3.92) revealed higher power in theta brainwaves compared to Hare Krishna chanting (1.35 ± 1.82 , $p = 0.05$) and Monochord tone (1.91 ± 2.30 , $p = 0.029$). In additional, the right frontal area indicated that Quranic verses represent the highest of theta power. As for non-Quranic rhythms, Monochord (1.91 ± 2.30) indicated higher theta power compared to Hare Krishna (1.35 ± 1.82) ($p = 0.08$) whereas Arabic Poem (1.24 ± 0.93) showed lower power compared to Hare Krishna (1.35 ± 1.82) ($p = 0.048$).

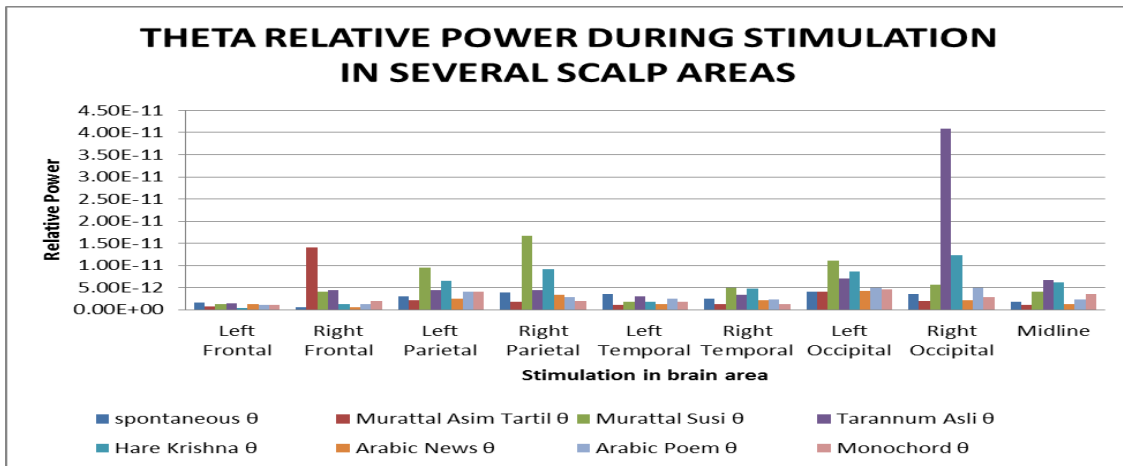


Figure 3: Theta power during stimuli

The theta relative power was analysed for the 9 brain areas (left frontal, right frontal, left parietal, right parietal, left temporal, right temporal, left occipital, right occipital, and midline). Figure 3 indicated that left frontal has constant in theta power while all the Quranic verses represented as highest in theta power at the right frontal.

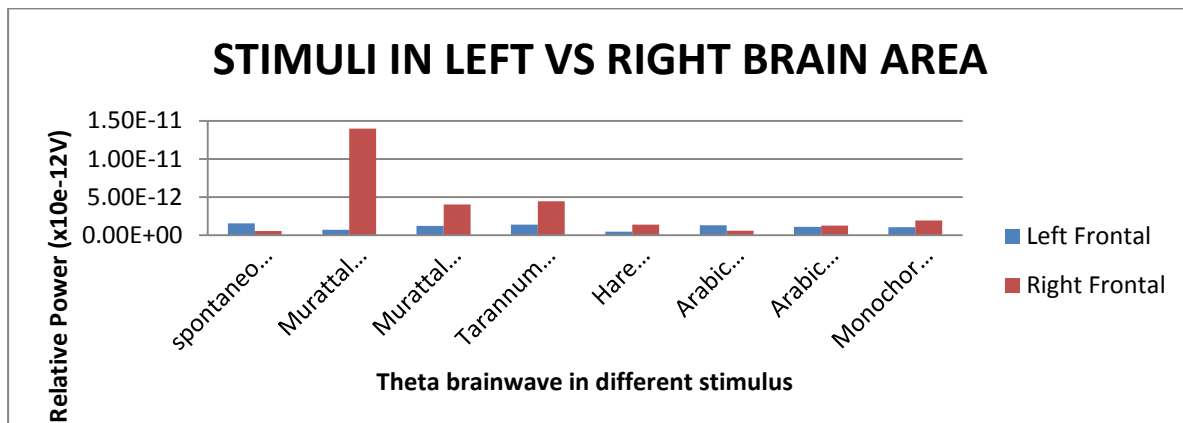


Figure 4: Power in theta brainwave during stimuli at left and right frontal

4. Discussion

The theta brainwaves recording were widely burst in the right frontal cortices during the concentration of Quranic receptive listening in apparently healthy, normal subjects. Rhythmic Quranic verses were taken as means to achieve meditative concentration in this study, as reflected by the state of calmness with theta power. Moderate tempo recitation of the Quranic verse seems to elicit highest brain theta power compared with other styles of recitation, as shown by Murattal Asim (moderate tempo) versus Tarannum Asli (slower tempo). The moderate tempo of Quranic recitation is commonly used in Muslim daily live while Tarannum Asli recitation most common practiced in special ceremony and competition. From the study also it could be seen that for non-Quranic rhythms, Monochord indicated higher

theta power as compared with Hare Krishna. These findings can be correlated to the fact that Monochord has been an established music therapy to be used especially in Germany to lessen pain and also for relaxation (Lee et al., 2012). In contrast, Hare Krishna is a chant that needs to be recited loudly or sub vocally by its practitioners to give the calming effect and not by mere passive listening (Braboszcz et al., 2010). Our findings, though a pilot, shown that the basic neurophysiology of EEG rhythms may well represent the behavior and neuronal processes as reported by Jensen and Vanni (2002). Frontal brain area has been shown to be activated during meditation concentration using other form of practices (Aftanas and Golocheikine, 2001; Sammler et al., 2007; Sasaki et al., 1996). Besides, Sammler et al. (2007) also stated that there was an increase in theta brainwaves when subjects listened to the pleasant music as compared with unpleasant music. Hence, they suggested that pleasant music can elicit pleasant emotion, and thus can influence the production of theta brainwaves. Pleasant emotion is subjective and differed between each individual. However, it is stated that the activation of specific neural region such as nucleus accumbens shell, the ventral pallidum, the forebrain, the limbic-cortical and deep brainstem regions are responsible in producing the pleasant emotion or hedonia as a result towards the pleasing stimuli such as music (Naor et al., 2014). Moreover, our pilot findings shown that the increased in theta brainwaves in Quranic verses recitation as compared with non-Quranic rhythms suggest that Quranic verses recitation able to elicit pleasant emotion towards the listeners, both in muslim and non-muslim subjects.

The differences in theta responses for different rhythm may also be influenced by the corresponding results from subjects' prior familiarity with rhythms employed in the study. Han and Northoff (2008) reported that there was an increase in frontal brain activity when subjects listened to culturally familiar and culturally unfamiliar music. However, a greater activation appeared more significant among subjects when exposed to the culturally unfamiliar music as the processing of unfamiliar music necessitated a higher attention. Aside from the association during deep state of relaxation, frontal theta brainwaves had also been observed during multitude of operations such as working memory and learning, mental calculation and error processing thus, being frequently depicted as a correlation of elevated mental exertion and attention (Sammler et al., 2007). Therefore, the increased in theta brainwaves during listening to Quranic recitation for non-Muslim group may be due to an increased attention as they heard a culturally unfamiliar rhythm, instead of a reflection of having achieved a calming effect. However, if the findings were based on the familiarity of the rhythms, thus in Muslim subjects where they were more familiar with Quranic rhythms used in the study, the data should show a decreased frontal theta power. Thus, it could be deduced that the emission of frontal theta brainwaves were mainly due to the deep relaxation felt by the subjects.

5. Conclusion

The preliminary result of this study suggests that rhythmic Quranic recitations elicit the theta responses more readily in human brain compared with conventional non-Quranic rhythms. The findings from this study pave the way in acknowledging Quranic verses recitation as one of the method in music therapy and also to elicit calming effect towards the listeners. However, the main limitation of this pilot study rests on its small sample size, where generalisation of the results is rather restricted. Hence, the number of subjects must be increased so that the findings can be inferred to the larger population in future studies. Furthermore, there is no source localization of the brainwaves to assist with exacting of brain areas involved. Thus, precision can be further improved by co-registering the EEG data with

additional neuroimaging studies. This pilot study has attempted to explore the neural basis of the melodic intonation of the Holy Quran with adequate theta brainwave extrapolation and clear cerebral representations. Establishing this neural basis using contemporary neurotechnology (EEG-MEG), we have provided fresher insights into a plausible neural basis for further studies to correlate the healing effects of rhythmic Holy Quran, currently routinely practiced in Islamic-based mind-body alternative therapy worldwide.

6. Acknowledgements

This research was supported by the USM Grant (1002/CNEURO/910114). We also thanks to Safira Elaina, Hazim Omar, Alwani and all neuroscience members.

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Emotional Experiences during Muslim Spiritual Journey

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Abstract

Spirituality in Islam is interpreted as a relationship with God that affects individual's self-esteem, meaning of life and relationships with other people and the environment (Nasr, 1997). In Islam, the main purpose of creation is to worship to God and this represents the major part of Islamic spirituality (Rulindo, Hidayat and Mardhatillah 2011). This paper describes the emotional experiences of 53 Muslims from Malaysia who just returned from a holy journey to Arab Saudi in the last 6 months. Twenty-three respondents were males and 30 were females. The participants' age ranged from 25-64 years old. In this spiritual journey, participants travelled to Mecca and Madinah in Saudi Arabia to perform their Hajj. They were recruited from a social media. Participants responded to a set of three open-ended questions asking them to report the most frequent emotions they experienced during their journey and the "things/events" that make them happiest and saddest during their journey. The purpose of this study was to explore the emotional experiences of the respondents during the Hajj journey. Most frequent emotions reported were positive such as happiness ($n=46$) and thankfulness ($n=15$). Thing/event that made them happiest was being able to complete the Hajj ritual and thing/event that made them saddest was leaving the city of Mecca after they completed their Hajj ritual. This paper indicates how spiritual journey such as Hajj can elicit certain emotions and highlights the need to understand how spiritual events including spiritual journey such as Hajj can have an impact on individual's happiness.

Keywords: Emotion; Hajj; Spiritual

1. Introduction

Emotion is an important aspect of our mental life. They are what life worth living, or sometimes ending. Our emotions play an important role throughout the span of our lives because they enrich virtually all of our waking moments with either a pleasant or an unpleasant quality. There is also a general consensus that emotion can be divided into different states including anger, sadness, fear, worry, happiness and cheerfulness. Each of these emotions is different in nature (e.g. anger is experienced differently than happiness).

Moreover, emotions play a central role during significant events in our lives. Although they have many characteristics, some behavioral and other psychological, emotions are above all psychological. An individual tends to experience positive and negative emotions. Different situations evoke different emotional experience and this allows us to live as a normal human being. For example, when we receive the news of the death of a loved one, we will be sad. Conversely, we experience joy at the birth of our children. Emotions in general contribute to physical and mental health; positive emotions to health, negative to illnesses (Lazarus, 1991). Hajj refers to a pilgrimage to the Kaabah in the city of Mecca during certain time of the year to perform certain rituals in accordance with its terms. It involves the largest and oldest gathering in the world (Shafi, Booy, Haworth, Rashid, and Memish, 2008). During very pilgrimage season, a large number of Muslims gathered in Mecca to perform the Hajj. It is estimated that millions of Muslims gather in Mecca and Madina during a single Hajj season

originating from more than 140 countries (Al-Faisal, 2009).

Applying the concept of emotions to spiritual experience, this study explores how spiritual experience in general and specific spiritual experience such as Hajj can elicit a series of emotional responses. We argue that major spiritual experience such as Hajj is likely trigger certain kinds of appraisals that in turn can affect the emotional experience.

Many people have argued that emotions experienced during spiritual context such as Hajj may be unique and different compared to other situations. For example, Muhd Kamil Ibrahim in his book has quoted that being in Mecca is an unforgettable experience where people experience happiness, joyfulness and excitement. People reported unique experience in Mecca compared to other places (Ibrahim, 2013). This is indeed consistent with the experience reported by people who returned from their Hajj (Ibrahim, 2013)

Yet, limited studies have focused on the emotional experiences related to spiritual context including such as Hajj. In this study, we argue that performing a pilgrimage in Mecca is one example of a major spiritual journey and emotions experienced during this journey can be in the form of many categories (e.g. sad and happy) and dynamic i.e. keep on changing throughout the journey depending on the time and activities at the time. It is important to understand how this journey affects the emotional experience of many Muslims from all over this world. This study is looking at this experience and this paper discusses various emotions reported during this journey.

1.2 Emotions and Emotional Experiences

Solomon (2008) defined emotion as a feeling that is reported along with physiological, cognitive, and behavioral components. Other psychologists described it as an emotional feeling associated with a subjective experience, accompanied by some psychological changes in the physical state, usually changes in facial expressions, body posture or tone of voice. Finally, and most importantly, emotions can be associated with carrying out particular set of behaviors (Deacon, 2013). Plutchik (1982) in his research concluded emotion as a complex sequence of behaviors that lead to cognitive assessment, subjective changes, autonomic and neural arousal, encouragement towards behavior, and behaviors are arranged to accept the effect towards the causes of the complex sequences.

Emotions can be in different intensity ranging from mild, serious, to dispersion (Coleman and Glaros, 1983). The intensity of emotions can elicit different behavioral responses and further shape the emotional experience. Positive emotions are just as important in understanding as the negative ones. These positive emotions are easy to recognize-most people intuitively understand them quite easily. For example, relief is a pleasurable feeling when a negative emotion subsides, usually accompanied by a sigh. Unfortunately for us, there are more basic negative emotions than positive ones, probably because survival depended upon us taking swift, focused actions. Negative emotions narrow our attention and actions. In contrast, positive emotions states tend to broaden your focus and encourage you to playful and explore (Decon, 2013). Normal human being tends to experience negative feelings such as sadness and depression. Both of these emotions will distract and affect daily activities. While anger is a form of reaction caused by a few stimulations or situation such as threat, direct aggression, verbal attacks, frustration, and so on (Chaplin, 1985).

Viewing emotions as complex organizations with different components, emotions can be seen

as representing one element of behavior. During hajj, emotions are likely to be influenced by various factors including situational and personal. Current approach to studying emotion differentiates between two broad-range of emotions: positive vs. negative emotions. Positive feelings include calm and happiness whereas negative emotions comprise of anger and frustration, among others (Intan, Zulkarnain, Noraida, Nor Diana, Shukran, Zarina, Jasni, Zhooriyati, Salahuddien, and Mohamad, 2013).

In short, it can be concluded daily life, people face and experience a variety of emotions. Emotions experienced by humans also depends on particular situations or event that had happens in their daily life. This determines the form of emotions as well as their health condition. Relating this to a spiritual journey such as Hajj, such journey is likely to elicit various emotions at various intensity.

1.3 Hajj

According to Islamic law, pilgrimage is a visit to the Kaabah in Mecca during the month of Hajj to perform certain rituals in accordance with its terms. The months of Hajj according to the Islamic calendar is the first of Shawwal up to before dawn on the 10th Zulhijrah (Awang, 2001). Mecca The ritual of hajj is supposed to affect the pilgrim deeply and transform him/her spiritually (Ayten, 2010).

Hajj is one of the pillars of Islam which must be performed by every Muslim who is *mukallaf* and it is obligatory once in a lifetime if they meet the conditions (Awang, 2001; Ahmed, Arabi, and Memish, 2006). The conditions include adequate means and health (Shafi et al. 2008). A person who performed the hajj is called "*haji*" for men and "*hajjah*" for women, a highly respected title in the Islamic community that encourages a moral and religious life by keeping away from sinful acts (Ayten, 2010).

The spiritual journey of Hajj for Muslims in Malaysia begins with a journey to Jeddah and takes place usually between 30 to 40 days. They will travel in groups and often accompanied by family members and friends. Upon arriving in Mecca, pilgrims perform Tawaf around the Kaabah where they will walk around Kaabah seven times. After that, they will go to Arafat which is a few miles to the east of Mecca, where pilgrims activity ends with "Day of Standing". The pilgrims will spend the night in Mina during the journey to Arafat and Muzdalifah during their return. Upon returning to Mina, the pilgrims would stop at the Jamrat for stoning. The new pilgrims, who have completed the pilgrimage successfully, will sacrifice (*korban*) an animal as a sign of gratitude. After doing the farewell Tawaf (*tawaf perpisahan*), the pilgrims will leave for Mecca (Ahmed, et al., 2006). All of these rituals require great commitment and strengths on the part of the pilgrimage.

Perhaps, the greatest challenge of Hajj is having to perform the relatively complicated rituals described above and to perform together with the large number of people around and within a limited amount of space. Crowding also contribute to the discomfort and stress experienced by people engaging in the ritual of hajj (Intan, Zulkarnain, Noraida, Nor Diana, Shukran, Zarina, Jasni, Zhooriyati, Salahuddien, and Mohamad, 2013) and this in turn can contribute to some negative experience and emotions.

1.4 This Study

This study is looking at various emotions experienced during a spiritual journey of Hajj in

Mecca.

2. Methodology

This is both descriptive and qualitative research. In this research, 23 participants were male and 30 were female from Malaysia between the ages of 25 to 64 and they have just returned from a Hajj in the last six months. Initially, a total number of 98 survey forms were distributed by email to the participants who were identified through a close group on Facebook consisting of 20,496 members from all over Malaysia and other countries who have completed Hajj before. Members of the group actively discuss their Hajj trip in this group. Out of the total 98 surveys distributed, however, only 53 survey forms were returned for analysis.

In this part of analysis, participants responded to a set of three open ended questions asking them to report the most frequent emotions they has experienced during their recent Hajj journey. They were also asked to report on thing/event that make them happiest and saddest during their journey. The examples of questions asked are:

Generally, during a pilgrimage, what kind of emotions that often you experienced? (Example: most happy / sad / angry). Why?

Of all the things/events that happened to you, what are the thing/events that made you most happy? (List / explain)

Of all the things/events that happened to you, what are the thing/events that made you most sad? (List / explain)

Thematic analysis was used to analyze the data collected from the participants. From this analysis, the researcher can see the correlations between each other. Boyatzis (1998) wrote in his book "Transforming Qualitative Information", thematic analysis is a process of "coding qualitative information". In this study, we produced a "code" in the form of the words or phrases that serve as labels to the data.

3. Findings

This section is divided into four sub-topics 1) demographic background, 2) description of most frequent emotion experienced during their Hajj, 3) description of things that make them happiest during their journey, and 4) description of things that make them saddest during their journey.

3.1 Demographic Background

The table below shows the demographic background of the participants.

Table 1: Demographic background

Age		Education		Hajj Experience	
25-29	5	Lower Certificate of Education (LCE)	1	First time	52
30-34	9	Sekolah Menengah Agama (SMA)	1		
35-39	3	Certificate	1		
40-44	10	Doctorate of Philosophy (PhD)	2		
45-49	9	Sijil Pengajian Tinggi Malaysia (STPM)	5		
50-54	8	Diploma	7	More than once	1
55-59	7	Master	8		

60-64	2	Sijil Pendidikan Malaysia (SPM)	9		
		Degree	19		
Total	53	Total	53	Total	53

3.2 Description of Most Frequent Emotion

In this question, some of the participants reported more than one type of emotion that they experienced. According to the participants, the most frequent emotion that they experienced during their journey was happy ($n=46$). A relatively large number of the participants ($n=15$) also reported that they felt thankful during their hajj trip. At the same time, they also reported that they felt sad ($n=5$) during pilgrimage. The results showed that pilgrims experienced different types of emotion during the hajj in Mecca. Below are the responses from the participants in this research for this section.

“I felt happy during my stay in Mecca”.

“During the pilgrimage, I felt very thankful to God”.

Table 2: Most frequent emotions

Type of emotion	Number of report
Calm	1
Fear	1
Patient	1
Humbled	1
Angry	1
Touched	2
Delighted	3
Excited	4
Sad	5
Thankful	15
Happy	46

3.3 Description of Things That Make Them Happiest during Their Journey

In this section, the researcher has compiled the answer into few themes as listed in the table below. Many of the participants were happy because they are able to complete their spiritual journey. At the same time, they were happy because they are able to perform hajj in Mecca. Based on the results of the study it can be concluded that the pilgrims were happy to perform the pilgrimage in Mecca, even though they were packed with activities and crowded surroundings. This spiritual journey and all the major activities related to the journey become the source of happiness and joy for the participants in this study. Below are the responses from the participants in this research for this section.

“I felt so happy because able to complete hajj”.

“I felt happy because able to perform hajj in this year”.

“I felt happy when worshipping in Masjidil Haram”.

Table 3: Happiest

Things that make them most happy	Number of report
Seeing places of worship/mosque (Kaabah, Masjidil Haram)	2
Being with family	6
Acquaintances with other pilgrims	8
Undertaking hajj (Mina, Tawaf)	8
Good health	10
Being in places of worship (Kaabah, Masjidil Haram)	11
Worshipping in Masjidil Haram/Nabawi	13
Performing Hajj	19
Completing the process of pilgrimage	22
Others	22

3.4 Description of Things That Make Them Saddest during Their Journey

According to the participants, they were feeling sad upon leaving Mecca after their spiritual journey. However, there were 13 participants who reported that they were sad due to other pilgrim’s attitude. This analysis indicate that pilgrims felt sad to leave the Holy Land after stayed for about 40 days. From the analysis, it can be concluded that what made participants sad during their spiritual journey are things that take them away from their rituals and this include action/attitude of other pilgrims, obstacles and temporary health disorders and most importantly leaving the place. Below are the responses from the participants in this research for this section.

“I felt so sad when leaving the Holy Land”.

“I felt so sad of action or attitude of other pilgrims”.

Table 4: Saddest

Things that make them most sad	Number of report
Temporary health disorders	3
Obstacles	4
Missing other family members	4
Awareness (the story of the Prophet/others)	7

Others	11
Action/attitude of other pilgrims	13
Leaving the Holy Land	18

4. Discussion and conclusion

From the above discussion, Hajj as a form of spiritual journey can indeed elicit certain emotional responses. From the data, it can be concluded that Hajj provides more positive emotional experience to the pilgrimages as opposed to negative experience. People reported feeling happy and thankful more than feeling sad. This finding highlights hajj can be part of the positive life experience that in turn can have an impact of people's happiness and well-being. In terms of policy and practical implications, it can be an experience that can be encouraged. More opportunities should be provided for people to perform Hajj and Hajj operators should improve their facilities that can accommodates for more people.

More people reported feeling happy after they completed the journey. Interestingly, more people reported feeling sad when they have to leave for home. This highlights the "uniqueness" of Hajj where people experienced intense and mixed emotions (i.e. happy and sad at the same time). Future studies need to look more into these findings, especially by trying to understand how the experience of Hajj may be different in comparison to other spiritual experience.

From psychological perspective, Hajj can be seen as part of positive event that potentially elicits more positive emotions compared to negative emotions. Future studies should explore the long-term effects of this experience on the participants. Future studies should also explore other spiritual journeys in order to fully capture how these experiences can have an impact on a person's life experience.

5. Acknowledgement

This research is a sub-topic of ongoing PhD research study and funded by Long Term Research Grant Scheme (LRGS), USM and Ministry of Higher Education, MyBrain Program (MyPhD).

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A Latent Racism: Understanding Racial Microaggression Paradigm in University Setting of Malaysia

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Abstract

Does racism endure? Logically it should be a rare occurrence, particularly with the establishment of anti-discriminative law as well as modern societal development. This should be particularly true among the cultured populace in university who are motivated to act in objective and non-prejudiced manner. However, 1Malaysia ideology and university policies that stress on racial fairness have suppressed the manifestation of racism and changed it into modern form of racism known as Racial Microaggression, an indirect and subtle form of racism that happens in everyday life that may intentionally and unintentionally be executed by the culprit and often caught the preys off-guard. This research wishes to unearth the themes of racial microaggression among Malaysian public university scholars. Qualitative study involving in person, one-to-one in-depth interviews was conducted with 40 undergraduates, from 4 racial groups (Malay, Chinese, Indian and Sabahan and Sarawakian) recruited through purposive and convenience sampling techniques. Interpretational Phenomenological Analysis was used to analyze the data, through the participants' worldview. Results indicated 11 common racial microaggression themes. The results of this research are important in revealing and understanding a new phenomenon of racial microaggression instead of concentrating on classic form of racism. The present research may deliver informative insights into the reality of inter-ethnic interaction in university setting and therefore, the significance in raising awareness and help to develop effective measurements to reduce such behaviours among scholars.

Keywords: Modern racism; Subtle racism; Implicit racism; Implicit prejudice; Indirect racism.

1. Introduction

Racial microaggression is defined as “brief and commonplace daily verbal, behavioral and environmental indignities, whether intentional or unintentional, that communicate hostile, derogatory or negative racial slights and insults that potentially have harmful or unpleasant psychological impact on the target person or group” (Sue, Capodilupo, Torino, Bucceri, Holder, Nadal and Esquilin., 2007, p. 271). In the present study, it is operationally defined as a salient act in everyday verbal and non-verbal communication and mostly automatic and often performed unconsciously, that both the perpetrators and targets often do not realize when it is taking place.

In Malaysia, “national integration is a phenomenon as much as national disintegration” (Huntington, 1965, p. 392). Malaysian government's effort to unite the multiethnic groups in Malaysia under the “1Malaysia”⁷ policy, Malaysia still mainly operates as a divided society where the population consists of various and diverse ethnic groups and backgrounds. Within

⁷ 1 Malaysia integration policy was introduced by Prime Minister Najib Tun Razak to foster unity and sense of nationalism among different ethnic groups in Malaysia (Bahagian Penerbitan Dasar Negara, 2009)

this type of society, Malaysians comprise of several major ethnic groups and each of this group generally practices different religions, speaks different languages, and adopts fairly different and unique customs (Hashim, Mohd-Zaharim and Khodarahimi, 2012). In academic context, vernacular schools allow children of certain ethnic background to attend schools that are taught in certain languages. For instance, students of Chinese ethnicity may attend Chinese schools that are taught in Mandarin, whereas students of Malay ethnicity are more likely to attend the national secondary schools which are taught in Bahasa Malaysia. While this practice supports cultural independence, it also limits interactions between people of different ethnic groups and can potentially segregate them further.

Within this fragmented society, racial stereotypes and prejudices may be lurking that are further translated in the acts of racism. Yet, overt acts of racism are not acceptable. This is especially in view of Malaysian civil laws that prohibit overt act of prejudice and racism such as: The Internal Security Act 82 (1960), the revised Sedition Act 15 (1969) and the Printing Presses and Publications Act 301 (1984). In addition, there are many governmental campaigns as part of the attempt to build solidarity within Malaysian society. One such example is “1Malaysia”, a campaign designed to foster the spirit of oneness among Malaysians. Within this campaign, “colorblindness and neutrality of law” are fostered (Bahagian Penerbitan Dasar Negara, 2009). While this may discourage overt acts of racism, the same cannot be said for the more subtle acts such as racial microaggression. Unlike racism, there is no civil law/ regulation that dictates racial microaggression as a punishable Act in Malaysia.

We argue that overt act of racism is especially low among educated youth, such as university students due to the existence of anti-discriminative clause by Federal Government Gazette, under section 8 that prohibits the discrimination of races and religion in various aspects of university bureaucracy (Attorney General Chamber, 2011) and university guiding principle that dictates maintaining socio-cultural integrity and sensitivities (USM Official Web Portal, 2013). However, the same conclusion may not be true for microaggression because it is often covert and difficult to be detected (Sue et al., 2007). Due to its subtle and indirect nature, subtle racism is often overlooked and understudied, partly due to lack of awareness, negligence, discredit or even denial towards the issue on the behalf of both the victims and perpetrators

In addition, most academic literatures on racial microaggression are found in western context while little has been done on the eastern context. Therefore, the current understanding of the racial microaggression topic is prevalent to western context and has limited applicability on eastern context due to cultural difference. This study explores racial microaggression within the context of Malaysian university students. It is particularly interested in the themes of racial microaggression as experienced by Malaysian university students of different ethnicities.

2. Literature review

While consciously working hard to be egalitarian, certain values pertaining to how people react to others outside their group or race may still be unconsciously adopted and can be translated into the act of racial microaggression. The present study aimed to scientifically test whether or not racial microaggression really exists in Malaysian university context. Within academic setting and in the effort to conform to certain egalitarian value to appear socially desirable, racial microaggression may grow strong and alive (Dovidio and Gaertner, 1996).

Looking at the past literatures in Western context, several themes of racial microaggression were discussed in the following, with a lot of research were mainly conducted in the American university contexts. Inside the college classroom context, Sue, Lin, Torino, Capodilupo and Rivera (2009) found that difficult racial dialogues often occurred between the student of color with other white students or instructors in the US. Several themes of racial microaggression emerged from their research, and they are broadly classified under three major domains: (i) “Racial microaggressions as precipitators of difficult racial dialogues”, (ii) “Reactions to difficult dialogues” and (iii) “Instructor strategies for facilitating difficult dialogues”(Sue, et al., 2009, p. 287). Some examples of the themes from the first domain are such the subjects in the research described that they were being inferred as being less intelligent than their white peers as seen when their white peers spoke for them (ascription of intelligence) and their opinions/answers are often ignored/rejected in the class (denial of racial reality) or someone spoke slowly when explaining what the instructor said in the class to an Asian American student, assuming the latter student could not speak fluent English. However, in reality, he or she speaks fluent English (alien in own land).

In addition to difficult racial dialogues inside the classroom setting, African American female students experienced racial microaggressions in form of invisibility in the class. They often have their opinions dismissed and deemed as not important or being avoided because of their race. One African American participant in McCabe’s (2009) study professed that she often wondered what her white peers perceived of her; whether they avoided sitting next to her because of her race or her body odor. She was very cautious of others’ intentions when they were interacting with her. Such doubt is attributed to the subtle nature of racial microaggression; the victims are often in dilemma about its existence or to dismiss it as innocuous.

In contrast with the sense of invisibility in the classroom, many African American college female students experienced the “paradox of invisibility. According to McCabe’s (2009) study, aside from being invisible, they were often singled out by the lecturers to be a spokesperson for their race (since there is usually a small number of them in a class). Two participants in the study felt hesitant to be the representatives of their race, because they felt that their opinions would be construed as representing the whole culture while in reality, no group of people all think alike. The burdens of such situation became more intense when the topic of the lecture explicitly focused on race. Such incident illustrated covert verbal and non-verbal microaggression performed by the lecturers or peers that indirectly indicated the African American students are different. As a result, they often felt anxious and isolated (McCabe, 2009).

Outside the classroom context, paradox of invisibility also occurs in form of assumption of criminality on African American students. An African American student participant in McCabe’s (2009) study reported that he was stopped and checked by police when he was walking towards his car at night after a party. While the most glaring incident is the extra number of authorities on the floor of the dormitory housing mostly Black men than other floors. The authorities charged stricter penalties to black men than students from other races committing the same offences. An example from McCabe’s study was one of the African American male participants who was sent to jail for bringing in alcohol to the dormitory. He described this as paradox of invisibility; that is, the black men are either overlooked or closely scrutinized due to negative stereotype attached to their race and gender. In this study, themes of racial microaggression as experienced by university students were examined.

Many social scientists may argue that the mechanism behind racial prejudice and discrimination operates on a similar premise across different cultures and countries (Essed, 1991). However, the situation in Malaysia is unique if we compare with the previous studies. In Malaysia, diverse ethnic groups are living in one society; it is not possible to interact without being aware of one's own ethnic group identity. As a result, it creates a ground for social categorization process to take place that can further enhance intergroup prejudice and conflicts including inter-racial of nature. Social identity theory by Tajfel (1974) proposed three mental processes that lead people to divide others into the "in-group" and "out-group"; thus influencing how people react to those whom they perceived as in-group and out-group. This process may be the basis of racial microaggression as likely to be experienced by the participants in this study. Participants were university students from different ethnic groups and their experience of racial microaggression may indeed be influenced by the interactions with people within and outside their ethnic group.

3. Methodology

The present study complies with the ethical standards in terms of its research procedure, data handling, participants' rights and confidentiality. It has been approved by *Jawatankuasa Etika Penyelidikan Manusia* (Ethics Committee for Human Research). This study was conducted using qualitative method, specifically one-to-one in person interview in order to explore the phenomenology, i.e. the worldview and perception of the participants with racial microaggression experience.

A total of 40 Malaysians from a public university from Northern region in Malaysia, consisting of 12 males and 28 females undergraduates from second year (and above) of studies were recruited through convenience and purposive sampling from a university-wide course. The proportion was such that 10 students were recruited from each race: Chinese, Malay, Indian and "other" (Sabahan, Sarawakian and racially mixed parentage). All participants were recruited across 22 different majors and 12 different schools across the campus to ensure diverse sampling and sampling representativeness across the university. List of materials used for the interview were: An audio recorder, informed consent form, debriefing statement form, demographic information forms and a list of interview questions. All forms and questions were self-generated by the author. The first author acted as the principal investigator and sole researcher. The first author's status as a non-Malaysian served as an advantage in gaining Malaysian participants' trust in confiding their racial microaggression experiences and in analysing the data from a third party's perspectives.

All interview questions are semi-structured. An example of an interview question:

Every day, you come into contact with people such as friends, room-mates, classmates, lecturers and other staff in the university. What were some of the subtle ways that these people treat you differently because of your race? Would you mind providing some examples? (who, what, where, when, how)

Recruited participants were interviewed in a private, one-to-one interview setting with the researcher, which lasted for approximately 40 minutes. The collected data was analysed using Interpretational Phenomenological Analysis (IPA) which allows participants to fully share their experiences and phenomenology (Langdrige, 2004). The researcher can derive subjective worldview and identify general themes to draw conclusion about the participants' experience of microaggression. Hence, rich information can be obtained to further the knowledge of microaggression in Malaysia

4. Result

Table 1

Themes of Racial Microaggression

No.	Themes	Malay	Chinese	Indian	Others
•	Paradox of over-scrutiny/ overlook	✓	✓	✓	✓
•	Differential treatment towards people from different race/ religion	✓	✓	✓	✓
•	Assumption of superiority/ inferiority/ intelligence due to race	✓	✓	✓	✓
•	Insensitivity towards the existence of other race	✓	✓	✓	✓
•	In-group exclusivity	✓	✓	✓	✓
•	Alien in own land	✗	✓	✓	✓
•	Language barrier as a precursor to racial microaggression	✗	✓	✓	✓
•	In-group benefit	✓	✓	✓	✗
•	Second-class citizen	✓	✓	✓	✗
•	Denial of racial experience	✓	✓	✓	✗
•	Preferential interaction with other race	✓	✓	✗	✗

Table 1 described the overall themes obtained from the one-to-one interview session. The detailed description of each themes of racial microaggression is presented in the following.

Theme 1: Paradox of scrutiny/ overlook

The recipients of racial microaggression - due to their racial identity either become the focus of others' attention or negligence. In the first case, their miniscule behaviors were easily picked up by others, causing them to be punished. Meanwhile, the latter cause the recipients to be avoided or ostracized for participation in various activities. In facing such paradox, many participants from different races felt that they could not live like other commoners.

Theme 2: Differential treatment towards people from different race/ religion

The participants (as perpetrators or recipients) performed or experienced unequal treatment in non-obvious way due to their racial identity.

Theme 3: Assumption of superiority/ inferiority/ intelligence due to race

The participants were perceived to be more superior inferior and also more/ less intelligent on the basis of their race. Often time they felt the burden to prove themselves to others. Consequently, they were ridiculed, ostracized or admired on the basis of stereotype against them.

Theme 4: Insensitivity towards the existence of other race

The perpetrator performed a discreet act that may offend or neglect people from other race because they failed to take into consideration the different needs or feeling of other race.

Theme 5: In-group exclusivity

The participants perceived that different racial groups expressed their preference to stick with their own race due to perception of in-group similarity and out-group differences.

Theme 6: Alien in own land

Participants were perpetually perceived as outsiders in their own homeland despite their nationality as Malaysians. All races except the Malay participants experienced this condition.

Theme 7: Language barrier as a precursor to racial microaggression

Participants perceived that the lack of common language in the interaction across different races as a precursor towards the experience of racial microaggression and hindrance from unity. All races except the Malay participants experienced this condition.

Theme 8: In-group benefit

Participants perceived that usually the members of a particular race will only share benefit among themselves.

Theme 9: Second-class citizen

Participants perceived they were treated as inferior as compared to other race when attending certain events or obtaining service.

Theme 10: Denial of racial experience

Due to the subtle nature of racist encounters, the participants' experiences of racial microaggression were denied by their confidant.

Theme 11: Preferential interaction with other race

The perpetrators actually prefer to interact with people outside their own race because they perceive certain negative traits attached to their own racial group.

5. Discussion, Future Implication and Conclusion

Racial microaggression is apparent among university students in Northern region in Malaysia despite the egalitarian attitude required of students in university setting. As observed in Table 1, some general themes that are recurring across different races are: Paradox of over-scrutiny/overlook, Differential treatment towards people from different race/ religion, Assumption of superiority/ inferiority/ intelligence due to race, Insensitivity towards the existence of other race, and In-group exclusivity.

Meanwhile, from Table 1, the Alien in own land and Language barrier as a precursor to racial microaggression were not experienced by the Malay participants since they are considered as the native population in Malaysia whose mother tongue is Bahasa Malaysia, the national language of Malaysia; therefore, they neither experienced communication hindrance nor perceived as outsiders.

Although there are similarities among the themes from the current study with the themes from the past literature (such as Sue et al., 2009; McCabe, 2009), the context in which the themes occurred slightly differed. For instance, the theme Alien in own land from the U.S

context implied that the perpetrators assumed the recipients of racial microaggression to be foreigners. However, in Malaysia, the perpetrators were fully aware that the recipients are local Malaysians, with the exception that the recipients' identity (Chinese and Indian Malaysian) is often purportedly accused to be similar to that of the Chinese from China and Indian from India respectively despite most of them hold Malaysian citizenships and being the 3rd or 4th generation living in Malaysia.

Some themes that are uniquely pertinent to Malaysian context include: Differential treatment towards people from different race/ religion, "Insensitivity towards the existence of other race, and "In-group benefit. This is due to the participants' experiences and perceptions on unequal opportunities within the university bureaucracy, such as distribution of academic scholarship, university admission and others. Altogether, both factors may have contributed to the invisible gap between the ethnic in-group and out-group perceived by the research participants.

This study highlights that racial microaggression is experienced across ethnic groups and it is important to further study this issue. This study stresses the importance of perceptions of in-group and out-group interactions that may play a role in shaping individual's experience of racial microaggression. Further investigation is required to understand the specific mechanisms of how in-group and out-group interactions and perceptions may help to shape one's experience of racial microaggression.

This study is limited to the experience of racial microaggression among university students in northern region in Malaysia, which may not be generalized into the population of other age group from non-university background or population of students from other university in Malaysia.

Despite the fact that this study is still at the explorative stage to uncover the reality of racial microaggression in Malaysia, it provides a platform for the Malaysian university students to voice their opinions, to make the invisible, visible, and therefore, to increase awareness and understanding of the existence of racial microaggression phenomenon in Malaysia. Further quantitative study may be done to confirm the prevalence of this issue across wider population in Malaysia.

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Mediators Involved in the Relation between Vulnerability and Depression among Married Women Residing In the Urban Areas of Kuala Lumpur

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Abstract

Although vulnerability may be a risk factor for depression, the mechanisms involved in this relationship are still unclear. This study explored the insecurity and proximity-seeking involved in the relationship between married women's vulnerability and depression. A community-based study was conducted on 1,200 married women residing in the urban areas of Kuala Lumpur. Of the 1,200 married mothers approached, 996 of them completed a set of standardized questionnaires on the negative evaluation of self, negative interaction with spouse, negative interaction with children, insecurity, and proximity-seeking. The results indicated that attachment insecurity may be a pathway to depression among married women, suggesting that reducing attachment insecurity in married women with depression may help prevent depression. An examination of other risk factors explaining the relationship between vulnerability factors and depression is warranted.

Keywords: Vulnerability; Mental health problems; Married women; Malaysia.

1. Introduction

Previous studies showed that the prevalence of depression among women was double than that of men (Forlani, et al., 2014; Girgue and Yang, 2015). One study reported that the prevalence of depression among Chinese was 27.0% (Yunming, et al., 2011). Forlani and colleagues (2014) reported that the prevalence of depression was high (25.1%) with no evidence of gender differences. Melo, et al. (2012) found that the prevalence of depression was 24.3% among women in the absence of a partner.

A number of studies showed that several risk factors were associated with depression. Reports suggested that depressed individuals, particularly women in Malaysia, had greater difficulties in interpersonal relationships, had an unsupportive partner, had poor income, were less educated, experienced stressful life events, and had an insecure attachment style (Abdul Kadir and Bifulco, 2013, 2011). In addition, reports showed that anxious attachment was significantly associated with depression (Clout and Brown, 2016; Rholes, et al., 2011). People with insecurity were more prone to depression than those with proximity-seeking (Bifulco, et al., 2003). Reports also showed that vulnerability was strongly associated with depression (Moran, et al., 2001). These vulnerabilities were negative evaluation of self, negative interaction with children, and negative interaction with partners. Adding to these vulnerabilities was lack of social support in times of need. In similar, Gav, et al. (2012) revealed that the risk of depression was lower among those who received social support with a partner than those without. However, studies on the mediating effect of insecurity attachment styles and proximity-seeking are scarce.

The link between vulnerability and depression might arise from other psychological factors as well as social factors. Vulnerability responses to stressful life events and lack of social

support influence the onset of depression (Bayliss, et al., 2016; Ingram, et al., 1998; Moran, et al., 2001). Murphy and Bates (1997) also demonstrated that vulnerability was associated with various forms of mental disorder, particularly depression. After controlling for the socio-demographic factors, it was established that vulnerability acted as a risk factor of depression (Broadhead, et al., 2001); however, methods for examining mediation were not used. Therefore, the current study aims to examine the mediating effects of insecurity and proximity-seeking on vulnerability and depression.

Relating vulnerability to depression, this study applied the model of vulnerability-provoking agent of depression developed by Brown and Harris (1978). This model posits that vulnerability factors accounted for most of the variance in the onset of depression. These vulnerability factors are sociodemographic characteristics (e.g., poor income, lack of education, jobless), lack of confiding in partner, and presence of three or more children as well as loss of mother under age 11 years old.

2. Method

2.1 Participants

No particular criteria other than being Malaysian and being aged 16 years of age or older were employed in this study to establish a sample of household residents, representative of the adult population of Public Housing Programmes in the Klang Valley and Kuala Lumpur. Overall, the sample consisted primarily of Malays (94.1%, n=937) and the remaining participants identified themselves as Chinese (0.4%, n=4), Indian (0.1%, n=1), and others (5.2%, n=52). Approximately 0.2% (n=2) did not state their ethnicity. In terms of religion, 95.8% (n=954) claimed to be a Muslim, 0.2% (n=2) Buddhist, 0.2% (n=2) Christian, 1.5% (n=15) Hindu and others 2.2% (n=22). Approximately 0.2% (n=2) did not state their religion. Slightly more than half of the married mothers were employed (54.5%, n=543) and 45.5% were unemployed (n=453). The mean income was 797.06 (s.d. 961.81). Of 996 married mothers, 50 (5%) had disabled children, 19.8% (n=197) had chronic illness, such as diabetes and hypertension, and only 13.6% (n=135) were actively involved in social activities organised by the community.

2.2 Procedures

The study was conducted from April 2011 to December 2014 in public housing programmes of the Federal Territory of Kuala Lumpur and the Klang Valley. A total of 11 public housing areas under the City Hall of Kuala Lumpur were identified. Invitation letters were sent to 1,200. Only 996 married women completed a set of questions. We used the door-to-door technique to approach the participants. For each family, only wives with children were chosen to complete the questionnaire. This structured interviewing was carried out by social work students. Informed consent was sought from the participants.

2.3 Measures

We used the General Health Questionnaire (GHQ-30; Goldberg, 1978) to measure depression symptoms. The GHQ-30 can be used to detect caseness for depression. The Vulnerability to Depression Questionnaire (VDQ) was used to measure the presence of negative interaction with children, negative interaction with partner and negative evaluation with self (Moran, et al., 2001). The Vulnerable Attachment Style Questionnaire (VASQ; Bifulco, et al., 2003) was

used to measure adult attachments of insecurity and attachment proximity-seeking. All measures achieved satisfactory internal consistency (GHQ-30 Cronbach’s alpha 0.90, VDQ Cronbach’s alpha 0.75, VASQ Cronbach’s alpha 0.71).

In this current paper, we used the Hayes and Preacher procedure to test the mediating effects of the relationship between vulnerability and depression. We summed the scores of negative evaluation of self (NES), negative interaction with children (NEC), and negative interaction with partner (NEP) to create vulnerability indices.

3. Results

Table 1 shows the intercorrelation of the variables studied. The findings show that the vulnerability factors and attachment insecurity significantly correlated with depression, indicating that those with higher vulnerability and attachment insecurity tend to have high depression. However, this finding reveals that proximity-seeking does not correlate with depression.

Table 1: Intercorrelations and descriptive statistics for all the variables studied

	1	2	3	4
1. Depression	-			
2. Vulnerability (NES, NEC, NEP)	.15**	-		
3. Attachment insecurity	.14**	.27**	-	
4. Proximity-seeking	-.03	.04	.04	-
Mean	24.18	71.26	35.99	32.58
SD	10.38	13.45	5.93	4.33

** Significant at 0.01 level (2-tailed)

Further analysis was carried out to test the multiple mediation hypotheses. This study used the bootstrapping approach recommended by Preacher and Hayes (2008), and Shrout and Bolger (2002). The bootstrapping strategy is suitable for testing multiple mediators simultaneously. The procedure uses the original sample data as a population and takes random samples of size “n” with replacement techniques and estimates the total and specific indirect effects. Testing the total indirect effect is similar to testing the overall effect of multiple independent predictors in a regression analysis (Preacher and Hayes, 2008). The significant total indirect effect suggests that as a set, the mediators transmit the effect of an independent variable on a dependent variable. A specific indirect effect refers to the extent to which a mediator transmits the effect of the independent variable on the dependent variable, above and beyond the other mediators. Table 2 shows the mediation analyses incorporating depression and vulnerability scores together. The results indicate that nearly 9% of the association between vulnerability and depression was mediated by higher attachment insecurity. The total effect and indirect effects are significant.

Table 2: Model path estimates for depression

	Coeff	SE	t	P
VDQ-Attachment insecurity	0.12	0.01	8.77	0.000

VDQ-Proximity-seeking	0.01	0.01	0.93	0.353
Attachment insecurity-Depression	0.19	0.05	3.58	0.000
Proximity-Depression	-0.14	0.07	-1.92	0.055
VDQ-Depression	0.11	0.02	4.76	0.000
Depression-VDQ	0.09	0.02	3.73	0.000

To test these hypotheses, the SPSS macros for mediations (Preacher and Hayes, 2008) was used. The current analyses utilized 1000 bootstrap samples to create a pseudo population of indirect effects. Ninety-five per cent confidence intervals (95% CIs) were used to evaluate the significance and the magnitude of the indirect effects estimated through the bootstrapping technique. An effect is significant if the confidence interval does not include zero (Table 3). We describe the extent of mediation by calculating the proportion mediated (i.e. ratio of indirect effect to total effect; Shrout and Bolger, 2002).

Table 3: Total and specific mediated effects and their corresponding bootstrap confidence intervals for depression

Indirect effect	Vulnerability		
	Estimate	SE	95% CIs
Attachment insecurity	.03	.01	(.01, .04)
Proximity-seeking	.02	.01	(-.01, .00)
Total effect	.03	.01	(.01, .04)

Examination of the total and specific indirect effects of attachment insecurity and proximity-seeking on depression reveals interesting findings. The total indirect effect is significant with the 95% bootstrap confidence interval (table 3). The analysis of the ratio of the total indirect effects of the proposed mediators shows that higher attachment insecurity significantly mediate the association between vulnerability and depression. This indicates that higher attachment insecurity was responsible for about 3% of the mediation. In this respect, the current findings contribute to a growing evidence base that indicate that higher attachment insecurity contributes to depression among married women in Malaysia.

4. Discussion

Despite controlling for relevant socio-demographic factors, our findings provide justification for the role of insecurity in mediating the link between vulnerability and depression, and suggest that depression may be of more significance in this context of higher attachment insecurity. The findings suggest that higher attachment insecurity might affect depression as an obstacle to achieve emotional stability, stops them from asking professional help, and thus maintaining their depression. Therefore, the relationship between vulnerability and depression would be highly influenced by an individual attachment insecurity. In line with other studies conducted by Fowler, et al. (2013), Abela, et al. (2005) and Bifulco, et al (2006), this finding confirmed the impact of attachment insecurity to depression. This can be explained in terms of working models of the self and others that individuals with attachment insecurity have lost confidence that their attachment figures are accessible and willing to offer support in times of need. On top of that, vulnerability contributes to depression largely indirectly through its effects on attachment insecurity. The finding suggests that attachment insecurity are meaningfully related to depression. Future research need to examine other types of insecurity that might contribute to depression as well as other forms of psychological disorders.

This study acknowledges several limitations, such as the small sample size restricts generalization to the general population of Malaysia. In addition, a cross-sectional design does not permit the establishing of a causal relationship. Recently, no evidence has been found for the mediating effect of insecurity in the relationship between vulnerability and depression. This finding suggests that the professional mental health practitioners and mental health counsellors need to apply emotional-focused therapy when dealing with married women who are higher insecurity in their close relationship with partners. This approach will help these women to challenge and modified their insecurity, thus, depression can be prevented.

5. Acknowledgements

This research work does not have any conflict of interest. This research work was supported by Universiti Kebangsaan Malaysia (research grant code: GGPM-2011-059).

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Muslim Women And Moneylenders (Legal Culture Study About the Loan Agreement Between Muslim Women and Moneylenders in Indonesia)

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Abstract

This study aims to analyze the factor of cause of muslim women choose the loan agreement with Moneylenders; the pattern of the loan agreement and; the legal culture which build as the figure of muslim women in this loan agreement. Data collection had been used in this research are observation, interview, and literature study. Technique of analysis of this research uses the interactive model. The result of this research shows that the loan agreement with Moneylenders become a habit in the environment of muslim women. There are many causes that muslim women prefer to choose Moneylenders compared to formal credit institutions such as the consumptive behavior of muslim women supported by flexibility of the process, the term and debt installment and more stressed on credibility than legality. The pattern of loan agreement conducted with, the pattern of fetch the ball and the pattern of mouth to mouth. Muslim women understand that the practice of *Riba* (borrowing at the Moneylenders) in the religion norm is forbidden and prohibited by the state law. However, the identity as muslim women with high religiosity, defeated by the capital culture which build by the image of Moneylenders, so it gives rise to a strong desire to keep picking the Moneylenders when they need money or goods. The legal culture is built on the basis of the pragmatism value, ignoring the religious norms and state law that should be used as a basis in this loan agreement. In conclusion, the loan agreement with Moneylenders has evolved into an entity that cannot be eliminated, and it becomes legal culture which ignores the awareness of the importance of religious norms and state law.

Keywords: Legal Culture; Muslim Women; Moneylenders

1. Introduction

Moneylenders, by the local Indonesian society known by the term as *Bank Plecit*, *Bank Titil*, *Bank Tongol*, *ijon*, *mendreng* (Central Java and East Java); *Bank gelap*, *Bank Klakson*, *bank berjalan*, *karedet*, (West Java), *manganahi* (batak tribe) and *lintah darat* (Indonesian Society in general), in the reality still become the relevant and interesting issue to be studied. Sociologically, this practice still exists and enthused by the people in Indonesia, both rural and urban areas, especially among women. Based on the results of surveys that have been done by the Offices of Cooperative in Bandung, in 2014, the money borrowers through Moneylenders as much 65% are women, which is actually a housewife. Various programs implemented by the government and public institutions at local and also National, for example, Saving and Loan program for Women's Groups by PNPM Mandiri, Women's Saving and Loan program by Posdaya, Wise Program of Woman Fund by GE Money Indonesia, low-interest program of the Finance institutions (Bank and non-Bank), including *Baitul Maal Wat Tamwil* (BMT) to reduce the practice of Moneylenders, have not brought significant results yet. Poverty and the growing need, becoming a reason to do the loan agreement with the Moneylenders.

In fact, the more interesting and relevant, when examined in the context of the local Islamic society with the strong religious culture, especially in the reality of Muslim women who understand the practice of *Riba* is forbidden. Treaty of debt with the Moneylenders in the Muslim women environment become *habitus*, thus ignoring the norms of religion and the state law prohibiting the practice of Moneylenders. Based on the result of interview with 20 Muslim women in the local area Pekalongan, Central Java (Indonesia), 18 people have borrowed money at Moneylenders with a various number, from 100.000 IDR until 5.000.000 IDR. From 18 people, 7 people are housewives and 11 people are batik workers. The purpose of borrowing the money, only for the consumptive requirements, for example, fulfilling the daily needs and for celebration (circumcision of children, married children, traditional party and others). The credit agreement with the Moneylenders increase dramatically during Ramadhan to Idul Fitri, because in Ramadhan and Idul Fitri, the need is bigger than the daily need (interview, 23th February, 2015).

The religiosity of the Moneylenders and customers, which both of them are Muslim women in fact no doubt. They are individuals who are religious, diligently execute religious rituals, diligently follow the teachings (*pengajian*) and have high religious intellectuals, and even the Moneylenders have already pilgrimage (*naik haji*). Interestingly, there is a Moneylender who is a hereditary, continuing the profession of parents, who are also as Moneylenders. The capital culture built by the Moneylenders through self imaging process to attract the customers, defeating the understanding of religious norms which they believe, and establish a law culture that deviate from the values of the local Indonesian society.

Based from the facts above, this study aims to analyze the causes of Muslim women choose a loan agreement with Moneylenders; the patterns of loan agreement and; legal culture that is built into the loan agreement in the environment Muslim women.

2. Literature Review

Moneylenders. According to Heru Nugroho (2001, pp 18, 80), moneylenders are people who lend money with high interest rates. Moneylenders not loan shark, but as an agent of development for the community, because the credit are offered made a significant contribution to facilitate economic activities. Zulfa (2002, pp 32), that, “ Moneylenders were not absolutely categorized as *riba* because of activities that do contain the values of humanism”. According to Khudzaifah Dimiyati (1997, pp 97-105), moneylenders is a financial institution that grows and is influenced by the cultural reality of society. According to Kartono, D (2004, pp 4), moneylenders are a person or an illegal organization which has activities lend money or goods to other people in need with high interest rates and the repayment have been set by the 'creditors'

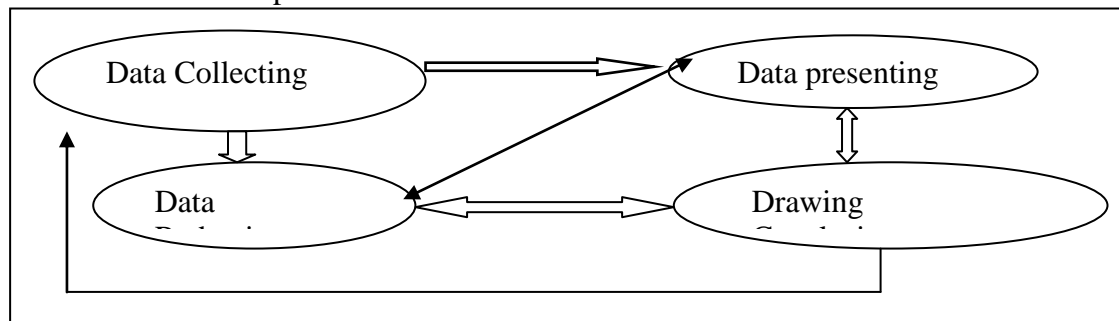
The impoverishment of women. Cahyono, 2005 say that, “ the impoverishment of women (feminization of poverty) are the reality in which the majority of poverty level filled by women, and they suffer more because poverty than men, thus causing them to borrow money from moneylenders for their family needs”.

3. Research Method

This study is based on the qualitative research tradition. Key informants, are Muslimah women who work as moneylenders and customers. Moneylenders criteria as a informant, among others: a) the congregation Majelis Taklim; b) become moneylenders at least 2 years and b) get customers, every month 15 people upwards. The criteria informant as customers,

among others: a) a member of the congregation Taklim; b) a customer, at least 2 years; c) a customer, a minimum of 2 people moneylenders. The collecting data method used observation, interview, and literature study. Observation, intended to observe the socio-economic condition of the family, the reality of daily life, the condition of the household and neighborhood informants. Interviews with key informants were selected purposively, appropriate criteria and consideration of theoretical concepts that will be used, so expect the information obtained explorative and depth. Sourced from key informants, then developed following the snowball principle, and lasted until the information is "saturated-homogeneous" or there is no indication of new information related to research problems. Literary studies done by identifying and examining the source data in the form of books, research reports; journal, media and others. The analysis technique used the interactive model from Miles and Huberman, (1984, pp,20). The process of analysis includes: 1) the researchers collected data from both the primary and secondary data sources; 2) all the data which have been collected was presented in the form of transcript; 3) data reduction was conducted in accordance with the need. Data reduction was conducted in order that the data which would be the subject of analysis was the relevant data with the themes and research conducted and; 4) drawing conclusions. This cycle was carried out with in a continuous cycle. For details, see the chart below.

Diagram I
The Operational Process of Interactive Model Of Analysis



4. Research Result and Discussion

3.1.Tracing The Causes of Muslim Women Choose The Loan Agreement with Moneylenders.

Moneylenders is someone who lends money or goods to get profits by drawing high interest rate. According to Adam (1989, pp.56), moneylenders is an individual who provides short-term loans with high interest rates, do not use the guarantee and seeks to perpetuate the credit relationship with cutomers (Dimiyati, 1997. Pp.16). According to Nugroho (2001, pp. 88), moneylenders or *Bank Thithil* are people or illegal institution who have money lending activity (or in the form of goods) to others who need it with high interest rates. The relationship between the creditor of *Bank Thithil* and debtor (customer) majority quite close, because the process of loan installment collected by the moneylenders itself and conducted every time continuously.

Sociologically, the background of appearance of Moneylenders start from the culture of receivable debt that exists in reality of society and closely connected with the local traditions. This habit, by the owner of capital is developed into a profession as an effort to develop their

capital, in order to benefit from the high interest charged to customers. Debt is usually given in the form of money and/ or goods, and apply to members of the surrounding community, either with relatives or neighbors. Interest expense charged to borrowers is very high, but for reasons of venture capital or for consumption, the interest expense that charged do not feel heavily by customers. According to Kartono (2004, pp. 4), loan agreement with Moneylenders conducted through oral agreement (informal or unwritten) based on trust and have characteristics that are flexible, without complicated procedures, know each other, do not use guarantees and installments are not strictly. Based on the above facts, resulting in various regions in Indonesia, the practice of Moneylenders increasingly exist and needed by the society, especially women who in this context is the Muslim women.

The existence of Moneylenders in the environment of Muslim women, occurs due to pragmatic considerations and not on theological. Their understanding of the prohibition of *Riba* is not a consideration because there are certain factors that require or be the reason for Muslim women to borrow money and/ or goods on Moneylenders. There are many factors that Muslim women choose to borrow money on Moneylenders. *Firstly*, Moneylenders have administratives characteristics and requirements are simple, flexible and free administrative costs. *Secondly*, faster lending procedures (direct liquid), based on an oral agreement (informal, unwritten) is simple and based on trust rather than the legality and sometimes without bail. *Thirdly*, between Muslim women and Moneylenders are already know each other, so there is a personal relationship and the importance of mutual trust. *Fourthly*, if they are not able to pay the debt or pay it off, it may change or discuss amicably. There are no sanctions for Muslim women as a client when do defaults, and just say “no money for pay” and make a promise to pay later. *Lastly*, the installment billing is done by the Moneylenders in client’s homes, on a daily, weekly or monthly, so that customers feel light and do not bother to come to the Moneylenders’ home. That factors are also taken into consideration for Muslim women prefer to borrow from Moneylenders compared to formal financial institutions, such as Banking Institutions, Cooperatives and other financial institutions.

3.2. The Patterns and Mechanisms of Loan Agreement between Muslim Women with Moneylenders.

The loan agreement is another term for lending and borrowing agreements and/ or in banking economic terms called credit agreement. The receivable debt agreement between Muslim women with Moneylenders is informal credit agreement conducted orally based on trust. The model of this loan agreement is the ability to borrow money or goods with the agreement will pay in the period that has been determined accordance with the agreed orally based on trust. Based on the research findings, the lending agreement between Muslim women and Moneylenders, are categorized into several patterns.

1) The pattern of pick up the ball

This pattern is done by Moneylenders by visiting the customer to their houses, to offer loans in the form of cash and/ or goods are required, for example, electronic goods, household utensils and all household needs required by the customers. In this pattern, the Moneylenders do not just go to the customer at the time of bidding, but also at the time of execution of the agreement and billing. It means that customers do not have to bother to go to Moneylenders, because the services conducted at the clients’ homes.

The mechanism in this pattern include, *firstly*, the Moneylenders (bank thitil) are come to the customers' home to offer the services of a loan of money and/ or goods that customers need. At this stage, the Moneylenders also provide an explanation about the amount and the term of loan installments and the interest that have to paid, which in local term is called "*anakan*". For the record for customers who have a subscription, it is not given an explanation about that matters. *Secondly*, if the customer interested and want to borrow money and/ or goods offered, then on this stage is conducted orally agreement about the amount of money/ the loan goods, the loan term and the number of installments to be paid. *The third* is the installment stage. Accordance with the agreement, installments can be done on a daily, weekly or monthly with a repayment term of a minimum of 12 days until a year (12 months), which in local term called with: *rolasan* credit package (12 days), *patlikuran* credit package (24 days), *telungpuluhan* credit package (1 month), *sewidakan* credit package (2 months), *sangangpuluhan* credit package (3 months), and *setahunan* credit package (1 year). Taking the credit package and paying process depend on large and small of the loan amount.

The finding research shows that, as a Muslim woman customer, preferred the daily installments and *kemisan* installment (weekly installments that held every Thursday) with 3 months period (*sangangpuluhan*). The reason is with the daily anstallments and *kemisan* perceived not to burden them, because daily installments can be done by setting Muslim women by setting aside the household money, and for *kemisan* installment models, can be done because every Thursday they get the household money from their husbands, who mostly work as laborers and get the sallary every Thursday.

2) The Pattern of Mouth to Mouth

This pattern is made through intermediaries that connect the desire of customers to borrow money and/ or goods to the Moneylenders (bank thitil). There are two models in this pattern. *Firstly*, between the customer (Muslim women) and Moneylenders do not meet directly at all because all Muslim women's interest as a client represented by intermediaries, including installment loans. *Secondly*, between the customers and the Moneylenders meet directly as the pick up the ball's pattern, and the intermediaries only provide information on Moneylenders if the customer A which in this context is the Muslim women, want to borrow money and intermediaries also provide initial explanation of the process, requirements, and procedures for borrowing on the customer. So, the meeting between the customer and the Moneylenders is conducted just to give the money and/ or the loan goods to customers. In this case, the intermediaries get a reward money from Moneylenders. This pattern is usually performed by customers with reason: not to know the Moneylenders and more know with the intermediaries; a new customer or have never borrowed to the Moneylenders; ashamed to the neighbors if is known to have a loan to Moneylenders and, want to borrow money in a large amount, between 2.500.000 IDR till 5.000.000 IDR even greater.

The mechanism of this pattern, include: *firstly*, the customers meet the intermediaries and expressed his desire, then the intermediaries give the information to customer about moneylenders A, lender B, or C, including losses and advantages on borrowing to the moneylenders A, B or C; *secondly*, if the customer has chosen the lender A, B or C, so the intermediaries come the moneylenders and express the purpose of customer Y, X or Z; *thirdly*, if the moneylenders agree so giving the money/ goods or loans installment be implemented. Giving the money and/ or goods carried by intermediaries or by Moneylenders themselves, according to the initial agreement between the customer and intermediary;

fourthly, the loans installment can also be through an intermediary, and/ or Moneylenders themselves who come to clients homes.

Furthermore, how the counting of interest loan system in this reality? The system of counting the interest in local term is called “*anakan*” are very different between the Moneylenders one another, depending on each Moneylenders. The range of lending interest average 20% to 50% per month and/ or per 3 months. System of calculating the interest or “*anakan*” contain of *rolasan* system (12), by counting using numbers 12 of the principal loan and there is a 3-months package system. The example of counting *rolasan* system (12), is: if Muslim women borrow some money or goods worth p. 100,000,- IDR (one hundred thousand rupiahs), then that should be returned are 120.000 IDR (one hundred twenty thousand rupaihs) or 20% in the first month. Then, in the second month the loan interest will be doubled to 2-fold is 40% of the loan principal, the calculation of principal plus 2 times the loan interest, so to 140.000 IDR (one hundred and forty thousand rupiahs), so on the 3rd month multiplied to 3-fold, the 4th month to 4-fold, 5th month to 5-fold and so on, until the debt is paid off. So, if Muslim women owe 100.000 IDR ,- and the daily installments with maturities of 3 months, then the amount to be paid over three months to.120.000 IDR + 40.000 IDR + 60.000 IDR = 220.000 IDR or every day must repay as much as 2.500 IDR,- (two thousand five hundred rupiahs). While the 3-month package system, most of the Moneylenders using interest range of 40% to 50%. For example, if Muslim women borrow 100.000 IDR,- then for 3 months should return as much as 50.000 IDR,- for a 50% interest. So, if the daily installment for 3 months then every day have to pay Rp. 1.750,- and if for three months can not pay it off then on the 4th month will be doubled to 2 times of the loan interest, the 5th month to 3 times of the interest and so on until it fully paid. Based on the research findings, the customers prefer Moneylenders who use the package system 3 monthly calculation, because according to Muslim women is lower installments and interest when compared with *rolasan* system.

3.3. The Legal Culture Built between Muslim Women and Moneylenders on Loan Agreement

According to Friedman, 1975 in Wangania (2012, pp.3) the law culture is thinking, beliefs, values and attitudes related to the law and the law system or social forces that determine how the law is used, avoided, or misused The legal culture on this context, is the belief, values, mindset and attitude that was built by Muslim women, as customer and also as Moneylenders, to the legal norms, including religious norms that become of reference in the legal system in Indonesia

Legally, legal norms which prohibit the practice of Moneylenders, among others: *first*, Chapter 1 of Moneylenders Act or *Geldscheiter Ordanantie* (Stb.1938 : 523), which is in force today, in accordance with the provisions of Chapter II Transitional Provisions of the Constitution of the Republic of Indonesia Year 1945, which reads: “*It is prohibited to attempt moneyMoneylenders without permission of the government*”; *second*, Chapter 1320 Code Of Civil Law or *Burgerlijk Wetboek*, which governs the validity of the terms of the agreement, such as: 1) agreed they were committed themselves; 2) the ability to make an agreement; 3) a certain goods; 4) a cause that of halal. Chapter 1335 Code of Civil Law, states that: “*An agreement without cause, or are based on a cause that spurious or prohibited, does not have the power*” and Section 1337 reads: “*One reason is prohibited, if it is prohibited by law, or if contrary to morals or public order*”. Based on the sound of the third chapter, the loan agreement between Muslim women and Moneylenders canceled and void, because it is based on reason and not prohibited in accordance with the legislation in force; *third*, Chapter 15

paragraph 1 (c) of Law No. 2 of 2002 on the Indonesian National Police reads: “*Indonesian National Police is generally authorized to prevent and control the growth of society’s ills*”. According to the Chapter 15 paragraph 1 (c) the Police Constitution, which is meant by “*social ills*”, among others, begging and vagrancy, prostitution, gambling, drug abuse and narcotics, drunkenness, trafficking, exploitation/ practice of loan-sharking (Moneylenders), and levies wild. Based on the chapter, then the duty of the police to prevent and tackle practice Moneylenders , because it is one of society’s ills.

In addition to legal norms, religious norms also clearly and expressly prohibit the practice of *Riba* (rents). Allah SWT says which means, “ *do not taking Riba with double and fear of Allah, so that you earn a fortune* ”. [Q.S Al-Imran, 3 : 130]. Further, Allah says, which means: “*and Allah SWT justifies the purchase and forbidden usury (Riba)*”. [Surah Al-Baqarah (2) : 275]. Legal norms as a living religion in Indonesian society, also became part of the legal system in Indonesia which is recognized by the state. Therefore, as the law of life, should be a conviction and a reference value for the Muslim community, especially Muslim women, in various areas of life, including in the economic activity, which in this case is the loan agreement.

However, beliefs, values, mindsets which was built by Muslim women, as well as Moneylenders and also customer who both of them have an identity as a Muslim, in the reality is contrary to the norms of religion and state law that clearly and expressly prohibit the practice of Moneylenders. High religiosity of Muslim women both as customers and as Moneylenders, in terms of religious beliefs, religious intellectual, religious rituals, not linear when they carry out economic activities. Muslim women, both as customers and as Moneylenders, deeply understand that the practice of Moneylenders is prohibit, but they seemed to close their eyes when doing this agreement. Religious values that they believe to be a Muslim is not internalized in themselves, when lending and borrowing agreements, because that became a consideration is the value of pragmatism. Value of pragmatism certainly more concerned with the final result than the values that embraced by the community. Pragmatism directs human activity only for believe something that are rill, sensory, and the benefits can be enjoyed practically and pragmatically in daily life. Accordance with the “secular” pattern, pragmatism is not easy to believe in the “trust established”. Pragmatism does not recognize anything metaphysical and absolute truth (single truth), but only recognize the truth if it is proven scientifically, and believe that the world is able to “created” by the human himself. It means that, pragmatism indirectly already denying some thing transcendental (Bakhtiar, 2002).

The loan agreement between Moneylenders and customers who both of them are Muslim women, occurs because of the interests of both sides. Moneylenders as creditors, concerned with the advantages from money which is lent while the customers concerned on the money borrowed to fulfill their needs. The legal relationship established between Moneylenders as creditors and customers, it is not the same as the legal relationship in the modern banking system, with the formalization of complicated bureaucracy. Trusting relationships, kinship, get to know each other, with a verbal agreement and there are no strict rules as modern banking system, become a base of mutualism symbiotic relationship between both of them. Attitudes and behavior of the Moneylenders, who always build self-image through the strengthening of cultural capital on the pretext of helping the people in troubled and in need when making loans; serve customers well and according to the wishes of customers; and provide bonuses and prizes at Idul Fitri to customers who have become his customers, it caused the customers more choose Moneylenders than formal financial institutions. The

relationships that built by Moneylenders on its customers, who are not only shown through economic transactions, but involves other socio-cultural aspects as marketing strategy, in fact gave rise to the social power of its own, thus building a law culture that came out of the corridor religious norms and state law. That facts appropriate with the theory is that the law culture is the social forces that determine how the law is used, avoided, or misused. Rahardjo (1986, pp.33-34) also confirms that social forces built by society always negate the distance that causes a lack of balance between law and society. Imbalance between legal systems (religious norms and state law) with the society (Muslim women and Moneylenders),_due to the social forces the are built based on the value of pragmatism, which is certainly contrary to the values of local religious arbitrate should be the basis for Indonesian society.

5. Conclusion

Muslim women choose to have loan agreement with Moneylenders, because of the experience, perception and understanding them when making the agreement with the Moneylenders who have administration characteristics, requirements and lending procedures are simple and flexible, based on oral agreements and more concerned with the trust rather than the legality, compared to formal financial institutions, such as Banking Institutions, Cooperatives and other financial institutions. The social power that built on the basis of the value of pragmatism, bring out to the legal culture that ignores the consciousness of the importance of religious norms and the state laws.

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Validation of the State-Trait Inventory for Cognitive and Somatic Anxiety in a Sample of Malaysian Undergraduates

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Abstract

The 21-item State-Trait Inventory for Cognitive and Somatic Anxiety (STICSA) was developed to assess cognitive and somatic symptoms of anxiety. Despite past studies examining factor structure of the STICSA in students, community, and clinical samples show that it is a reliable and valid measurement of the cognitive and somatic features of anxiety, these studies were conducted with western samples. Given that few studies have applied the STICSA to Asian sample, little is known about the psychometric qualities of the STICSA in Malaysia context. The aim of the present study was to assess the psychometric properties of the STICSA among Malaysian young adults in assessing trait anxiety. A total of 220 undergraduates (147 females) participated in the study. Consistent with past findings, confirmatory factor analyses supported the two-factor structure of the STICSA among Malaysian young adults. In addition, results indicated good internal consistency. The results offer initial evidence that the STICSA is a valid measure for investigating both cognitive and somatic trait anxiety in young adults. Future studies, however, are needed and suggested to replicate the study and examine validity of the STICSA with other populations. It is also important to explore the psychometric properties of the STICSA in assessing cognitive and somatic state anxiety.

Keywords: Trait anxiety, State anxiety, Cognitive anxiety, Somatic anxiety, Confirmatory Factor analysis, Malaysia

1. Introduction

Anxiety refers to a felt, affective, and unpleasant state accompanied by the physical sensation of uneasiness (Feist and Feist 2009). It is one of the major mental issues in Malaysia (ZamZam et al., 2009). Al-Naggar (2011) examined the prevalence of anxiety among 468 Malaysia university students and found that 53.85% of them reported anxiety.

The high prevalence of anxiety deserves more attention. Studies have consistently found that anxiety is detrimental to cognitive performance in aptitude or achievement tests (Eysenck 2012), social interaction (Wu et al., 2013), and health (Leander et al., 2013). Hence, a valid and reliable measure of anxiety for Malaysian is urgently needed to accommodate the demand for anxiety assessment.

1.1 State-Trait Anxiety Inventory

State-Trait Anxiety Inventory (STAI; Spielberger, 1983) has been widely used in research and clinical settings to measure state and trait anxiety. State anxiety refers to a transitory feeling of tension and apprehension; this feeling may vary in intensity across time. For example, an individual tend to report high state anxiety prior to his or her examination. The high anxiety, however, may dissipate to a moderate level after the examination. On the other hand, trait anxiety refers to a stable tendency to experience anxiety frequently. Similar to personality trait, trait anxiety is relatively stable and will not be easily affected by situation or by environment. Individual with high trait anxiety will react less appropriately to anxiety provoking stimuli (Kaur et al., 2012). For example, high trait anxiety individual may be easily anxious towards unplanned changes throughout his or her life.

Empirical evidence has been found for the psychometric qualities of the STAI. According to Balsamo et al., (2013), the STAI was found to have good internal consistencies, with Cronbach alphas between .86 (clinical sample) and .87 (nonclinical sample), for measuring anxiety factor. Similarly, evaluation of the STAI based on 253 engineering students in Malaysia showed good internal consistency (Cronbach alpha = .85) and construct validity (Vitasari et al., 2011).

Although studies have consistently evidenced the positive psychometric features of the STAI, it is important to note that the STAI is not without limitation. For instance, the STAI is not able to distinguish between symptom of anxiety and depression and its psychometric properties limited in younger, less educated populations (Gros et al., 2007). Therefore, researchers have called for a need of a new measure of state and trait anxiety that has good discriminant validity.

1.2 State-Trait Inventory for Cognitive and Somatic Anxiety

On the basis of the Spielberger's theoretical background, Ree, MacLeod, French, and Locke, (2000 cited in Gros et al., 2007, p. 370) developed the State-Trait Inventory for Cognitive and Somatic Anxiety (STICSA) to better discriminate between the symptoms of anxiety and depression (Gros et al., 2007). The STICSA consists of 21 items and separates anxiety into cognitive (10 items) and somatic symptoms (11 items).

As in the STAI, the items can be used to measure both state and trait anxiety using different instructions. Specifically, when measuring state anxiety, respondents are asked to rate how they feel right now, at this very moment, but not how they usually feel. When assessing trait anxiety, respondents are asked to report their general feeling. Regardless of state or trait scale, respondents rate the extent to which each statement is true for them on a 4-point Likert scale, ranging from 1 (*not at all*) to 4 (*very much so*).

Ree and colleagues (2000 cited in Gros et al., 2007) found evidence to the psychometric features of the STICSA. Confirmatory factor analyses (CFAs) on the responses derived from student and community samples supported the two-factor structure (i.e., cognitive and somatic) for both the state and trait scales. Moreover, all items loaded strongly on the predicted cognitive and somatic factors and both state and trait scales showed excellent internal consistency ($\alpha > .90$).

Although findings from Ree and colleagues (2000 cited in Gros et al., 2007) suggest that the STICSA is a promising measure, Gros and colleagues (2007) argued that the generalizability of the findings derived from student and community sample to clinical sample remains open. To further examine psychometric qualities of the STICSA, Gros and colleagues (2010) administered the STICSA, STAI, Depression Anxiety Stress Scales 21-item version (DASS; Lovibond and Lovibond, 1995) and Structured Clinical Interview for DSM-IV (SCID-IV; First et al., 1996) to 567 psychiatric patients and 311 undergraduates. The results of CFA showed that the four-factor model (State-Cognitive, State-Somatic, Trait-Cognitive, & Trait-Somatic) yielded adequate-to-excellent fit across different fit indices (e.g., RMSEA, CFI) in both patient and student samples. Moreover, the two state factors (State-Cognitive and State-Somatic) were significantly associated ($r = .64$), as well as the two trait factors (Trait-Cognitive and Trait-Somatic, $r = .57$). Similarly, high correlation was found in the two cognitive factors (State-Cognitive and Trait-Cognitive, $r = .84$) and the two somatic factors (State-Somatic and Trait-Somatic, $r = .76$). In other words, the results support that the STICSA is composed of cognitive and somatic factors and the difference in instruction can clearly distinguish state anxiety from trait anxiety. In addition, the STISCA showed excellent internal consistency in the patient sample: Cronbach alpha coefficients of .88 for the State-Cognitive and State-Somatic subscales and .87 for both subscales of STISCA-Trait. The student sample was also found to have similar pattern of internal consistency, though the alpha values were slightly lower than the patient sample's.

Correlation analysis confirmed the convergent validity of the STICSA. The STICSA-State was found to have higher correlation with the STAI-State than the STICSA-Trait. Similarly, the STICSA Trait was significantly more correlated with the STAI-Trait than the STICSA-State. More importantly, the STISCA was found to have good discriminant validity. Specifically, the STISCA-Trait associated more strongly with DASS-Anxiety subscale than with the DASS-Depression subscale. Similar pattern was also observed for the State versions of the STISCA, with the exception that the correlation of the STICSA-State with DASS-Depression was not significantly differed from the relationship between STAI-State and DASS-Depression. The results indicate that the STISCA is more closely related to measure of anxiety than depression. In other words, the STISCA has higher discriminant validity than the STAI.

Gros et al., (2010) further examined psychometric features of the STICSA-Trait in friendship dyads. Gros and colleagues (2010) asked individuals who signed up for the study (target) to bring a friend (informant) to the study. Targets and informants responded to the questionnaire battery with a different set of instructions. Specifically, the targets were instructed to answer the questionnaire based on their own characteristics, whereas informants responded to the questionnaire based on their view of the target participants. CFAs on both the target and informant responses supported the two-factor model of the STICSA-Trait. Moreover, the results of invariance measurement suggested that the STICSA-Trait has a similar structure across self-reports and other-reports. High internal consistency (alphas $> .91$) and convergent and discriminant validity were also observed for both cognitive and somatic subscales in the target and informant reports. These findings further demonstrated that the reliability and validity of the STICSA-Trait are independent of method of assessment.

Inconsistent findings, however, were revealed in a recent study. Lancaster et al., (2015) administered the STICSA to African Americans and European Americans undergraduate students. Although convergent validity was supported, the results of CFAs did not support the original factor structure for both trait and state scales. The findings not only question the

generalizability of the previous findings but also indicate the need to further examine psychometric qualities of the STICSA within different ethnic and cultural groups.

1.3 The Present Study

Despite studies have found that the STISCA is psychometrically sound for anxiety assessment, it is worth to note that the findings were mainly derived from Western context and the investigation among diverse populations is still limited (Lancaster et al., 2015). Therefore, it is not clear if the STICSA can be transported across cultural and ethnic groups.

This study intended to minimize the gap and extend the previous findings to the Asia context. As an exploratory and the first study on Malaysian sample, we examined factor structure and internal consistency of the STISCA-Trait scale. This cross-cultural validation may offer insight into the structural invariance of the STISCA across cultures. Moreover, it is hoped that the preliminary evidence may encourage further examination and application of the STISCA in Malaysia.

2. Method

2.1 Participants

The present study was part of a larger study on the relationship between anxiety and creativity. A total of 220 undergraduates (73 men, 147 women) were recruited via convenience sampling and snowball sampling. The participants aged from 19 to 25 years old ($M = 21.99$, $SD = 1.35$). The sample comprised 206 Chinese, 12 Indian, and two Malays.

2.2 Measures

The State-Trait Inventory for Cognitive and Somatic Anxiety (STICSA; Ree et al., 2008) consists of 21 items with 10 items assessing cognitive symptoms of anxiety (e.g., “Think worst will happen”) and 11 items reflecting on the somatic symptoms of anxiety (e.g., “Breathing is fast and shallow”). Participants responded to the items on a 4-point Likert scale, ranging from 1 (*Not at all*) to 4 (*Very much so*). Higher score indicates higher anxiety. By modifying the instructions, the STICSA can be used to assess both state (the feeling of respondents right now, at this present moment) and trait anxiety (the feeling of respondents in general). In the present study, however, the STICSA was used as a measure of trait anxiety.

2.3 Procedure

An online questionnaire battery consisting of several scales (e.g., STICSA-Trait, self-perceived creativity test) was created for the original study. Researchers sent the link of the online questionnaire to undergraduates at a private university in Malaysia via social networking and email. Upon obtaining informed consent, participants were asked to fill up their demographic information including gender, age, race, and type of universities, and other measurements. At the end of the questionnaire, participants were asked to share the link of the questionnaire with their friends and invite them to take part in the study. Most of the data were collected within one week.

2.4 Data Analysis Plan

Factor structure of the STICSA was assessed using CFA with maximum likelihood (ML) estimation. The fitness of the model was examined with several indices, including model chi-square, Tucker-Lewis index (TLI), comparative fit index (CFI), root mean square error of approximation (RMSEA), and the standardized root mean-square (SRMR). A model is considered poor fit if chi-square value is large and statistically significant. Given that this value is highly sensitive to sample size, we used the ratio of chi-square divided by degrees of freedom as an index of model fit. A ratio below three is considered as acceptable (Tabachnick and Fidell, 2007). For the TLI and CFI, values greater than .95 indicate a good fit, with values .90 are considered as an acceptable fit. The RMSEA value should be less than .05 for a good model fit, but values less than .08 are acceptable. The SRMR should be less than .08 for a good model fit (Hu and Bentler, 1999).

3. Results

3.1 Confirmatory Factor Analyses

The means and standard deviations for each item of the STICSA ranged from 1.38 to 2.37 and 0.64 and 0.94, respectively. The skewness for the STICSA items ranged between -.17 and 1.55 and kurtosis ranged between -1.09 and 1.61. As the absolute value of skewness and kurtosis less than three and eight, the data can be considered as normally distributed (Kline, 2011). The theoretical two-factor (i.e., Cognitive and Somatic) model (Model 1) was first examined. Results of CFA yielded acceptable fit statistics. Moreover, all factor loadings were found significant and the two factors were intercorrelated.

Although majority of the indices indicated that the model was acceptable, the TLI was slightly below the acceptable value. We, therefore, referred to modification indices to explore for further improvement. Examination of modification indices suggested adding an error covariance between item 1 and item 2 and item 19 and item 20. The modification further improved fitness of the model (Model 1a).

In addition, we examined the one-factor model (Model 2) to understand if this alternative model is better than the proposed two-factor model. Results showed poor fit model statistics. Taken together, the results supported the two-factor structure of the STICSA-Trait. Although adding error covariance results in a better fit, the modification was not theoretically justified and hence the Model 1 was retained. Table 1 summarizes the goodness-of-fit indices for the models.

Table 1: Goodness-of-fit Indices for State-Trait Inventory for Cognitive and Somatic Anxiety-Trait

Model	χ^2	df	ratio	TLI	CFI	RMSEA [90% CI]	SRMR
1	354.78***	188	1.89	.89	.90	.06 [.05, .07]	.06
1a	318.73***	186	1.71	.91	.92	.06 [.05, .07]	.06
2	420.73***	289	2.22	.85	.86	.08 [.07, .08]	.06

Note. Model 1: theoretical two-factor model; Model 1a: theoretical two-factor model with adding error covariance; Model 2: one-factor model. Ratio = chi-square value divided by degrees of freedom; TLI = Tucker-Lewis Index; CFI = comparative fit index; RMSEA = root mean square error of approximation; CI = confidence interval; SRMR = standardized root mean-square.

*** Statistically significant at 0.1 percent significance level.

3.2 Internal Consistency of the STICSA

Internal consistency of the STICSA was assessed by Macdonald's Omega. Results showed that the two subscales had good internal consistency: .83, 95% Bias corrected CI [.79, .87] for somatic trait anxiety; .89, 95% CI [.86, .91] for cognitive trait anxiety.

4. Discussion

The STICSA is a recently developed self-assessment on trait and state anxiety. Each scale taps on the cognitive and somatic dimensions of anxiety. The present study assessed the psychometric qualities of the STICSA-Trait. Our results supported that the STICSA-Trait subscales is a reliable and valid measure of cognitive and somatic anxiety.

Consistent with literature (e.g., Gros et al., 2007; Gros et al., 2010), the cognitive and somatic factors are replicated. Moreover, compared to the alternative (one-factor) model, the theoretical two-factor model shows better fit across the indices, though the TLI value was slightly below the cut-off level. Our findings lend support to the theoretical two-factor structure of the STICSA-Trait. Although the model fit was improved after adding error covariance, the theoretical model was retained because the modification was not supported by any theoretical rationale. The specification, however, suggests the need of item modification to further distinguish the items conceptually.

Unlike the past studies (e.g., Gros et al., 2010), we used the Macdonald Omega to assess reliability of the STICSA-Trait scale. This is because coefficient alpha tends to underestimate the reliability when the assumption of equal factor loadings and/or unidimensionality (i.e., tau-equivalence) is violated (Teo and Fan, 2013). In line with past findings, both cognitive and somatic subscales show good internal consistency. The consistency between different methods of assessment lends further support to the reliability of the STICSA-Trait scale.

The present study has implication for the development of the STICSA and assessment of anxiety in Malaysia context. This study was the first investigation of the factor structure of the STICSA-Trait scale on a Malaysia sample. The results lend support to the factorial validity of the STICSA-Trait scale in a different population. Notably, the findings suggest that the STICSA is a psychometrically sound measurement of trait anxiety for young adults in Malaysia. In addition, the findings of the present study can serve as reference for researchers to employ the STICSA-Trait scale for anxiety assessment, though more studies are needed to further evaluate psychometric properties of the STICSA.

There are several limitations of the study that should be taken into consideration. Despite the STICSA-Trait scale shows good internal consistency and its factor structure is consistent with theory, it is important to note that validity was not directly examined. Future studies are suggested to assess convergent and divergent validity of the STICSA. Furthermore, the results were based on undergraduates. It is not clear if the findings can be replicated with other populations (e.g., adolescents, older adults). It is also interesting to know whether the STICSA-Trait scale is valid for other ethnicity groups in Malaysia, though there is no reason for us to assume differences. Finally, it is important to note that the present study only assessed the STICSA-Trait scale. Although previous studies reported that the state scale is as valid as the trait scale, researchers are suggested to assess the psychometric qualities of the STICSA-State scale.

5. Conclusion

The present study provides first piece of evidence that the STICSA-Trait scale is a factorial valid and reliable measure of cognitive and somatic anxiety for Malaysia young adults. Researchers and practitioners may consider this relatively new measurement in their research and assessment.

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Psychological Empowerment, Work Stress and Organizational Commitment among Academic Staff in Malaysian Public Universities

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Abstract

The purpose of this study is to investigate the significant impact on the relationship between psychological empowerment, work stress and organizational commitment among academic staff in public universities. A total number of 297 academic staff in northern region public universities in Malaysia was responded to this study. Data was analyzed using SPSS 21 to test the hypotheses of the study. The results indicated that psychological empowerment and work stress have significant impact on organizational commitment. Future research can be done by identifying other factors such as work-life balance, job overload, job security, pay and benefits, communication and work conflict that effect employee's commitment towards organization. It is also recommended that this study could be further extended to compare between public and private universities as well.

Keywords: Organizational Commitment, Psychological Empowerment, Work Stress

1. Introduction

Nowadays, human resources are the important assets of the organization (Malik, Nawab, Naeem and Danish, 2010). Every organization targets to have employees who are committed towards the achievement of the organizational goals. It is important for organization or institution especially to know what features play the main role to enhance commitment of the employee. They have many factors impact on organizational commitment and at the same time effect on job satisfaction. Therefore, this is seriously issue that organization must obtain because organizational efficiency is depending on employee's productive and commitment. It is difficult for organization to shift forward in achieving their objectives without productive and committed individuals. Malaysia needs work forces that possess high commitment, productivity and progressiveness, competitive, and efficient in its mission to achieve the Vision 2020 targets (Ismail, 2012).

The demand of meeting the key performance indicators (KPI) from universities and the demand from stakeholders to produce quality and employable graduates have put Malaysian academic staffs in situations in big challenge (MoHE, 2012). With these demands and the quick growth in education sector in Malaysia, academics are facing more stresses. This effect of stress is supported by Nilufar, Abdullah, Fie, and Alam (2009) in their studies that work stress has influence on work satisfaction among academics in public institution in the Klang Valley. Academics that are always having stress and unsatisfied with their work will have negative influence on their performance and quality of work and also their commitments towards organization (Adebiyi, 2013; Barkhuizen, Roodt and Schutte, 2014).

In order to maintain the teaching quality and to compete successfully in the domestic and international market, it is crucial for leaders to understand the behavior and attitudes of academic staffs. In this context, deans and heads of department would be able to shape the attitudes of the academics by implementing empowerment that will subsequently lead to higher organizational commitment (Dee Henkin and Duemer, 2002; Bogler and Somech, 2004; Choong, Wong and Lau, 2011).

The role of the academic staff is very important to the university in improving corporate image and produce graduates who excel. They have professional interests, work and their own personal connection with their university, including the freedom to pursue excellence, the right to make decisions regarding curriculum and research agenda, ensuring a balance between work and family, ensure a satisfactory level of salary, as well as opportunities for advancement career. As the role of academia is very important, efforts should be taken to encourage loyalty among them. That is why the commitment is one of the most important elements in making academic staff loyalty and should be seriously considered by all higher education institutions. Academic staffs who are always stressful and dissatisfied with the work that will have an impact on the performance and quality of their work and will indirectly affect student achievement. In addition, it is also important in higher education to know what aspects play an important role and have a significant impact in improving employee commitment.

2. Literature Review

Empowerment is a process of increasing employee's feeling of self-efficacy within the organization and the topic of empowerment is necessary due to limited understanding of the empowerment construct and its underlying process (Conger and Kanungo, 1998). Further, in order to increase employee's commitment to the organization, organizations should provide them with substantial opportunities to obtain more responsibilities and perform challenging work (Onn, 2012). Employees will feel empowered when they are given responsibility to undertake tasks and more responsibilities to give opinion and make a decision in work, consequently they are willing to remain within organization and to work harder (Spreitzer, 1995; McShane and Von Glinow, 2010).

Consequently, the increasing perception of work empowerment promotes increasing organizational commitment. This view have been supported by Liu, Fellows and Chiu (2006), Krishna (2007), Nabila (2008), and McShane and Von Glinow (2010). Furthermore, when superior empower them by giving an opportunity to make decision about their work methods, pace and efforts which able to influence the organization outcome, this will automatically increase staff commitment (Onn, 2012). It can be concluded that, in order to promote loyalty among employees especially academic staff, dean or head of department should play a key role by empower them in term of responsibilities such as make a decision making and obtain more challenging task so that they are willing to stay in organization.

Besides, Fornes and Rocco (2004) asserted that commitment can arise through empowerment. It can produce psychological states that direct to positive outcomes for the organization, containing willingness to give extra role performance, promote satisfaction in job, and encourage motivation. Within empowering, the organization can improve its productivity as the process can increase employees' motivation in terms of offering them with the opportunity to gain intrinsic rewards from their work, such as greater sense of accomplishment and a feeling of importance. This is instinctively linked to the employees'

commitment. A study by Liu, Fellows, and Chiu (2006) opined that when the perception of work empowerment increases, employees' organizational commitment increases accordingly. The findings showed the factors of access to opportunity and resources, could increase self-efficacy of employees to feel empowered, encourage their motivation, and commitment before directing to increased work performance and effectiveness (Noraida, Shaladdin, Fauziah and Munir, 2010).

Likewise, a study on a university's staff in South Africa revealed that work stress played a role in decreasing organizational commitment (Khairuddin and Makhbul, 2011). Work stress (Beehrs and Newman, 1997) is something which influences physiological feedback and behavior towards unpleasant inspiration. Work stress is a condition arising from the interaction of people and their jobs and characterized by changes within people that force them to deviate from their normal functioning (Luthans, 2002). Michael, Court and Petal (2009) in their research paper found that work stress had negative influence on affective commitment. This means the level of affective commitment tends to increase when stress decreases. In addition, similar study has also been conducted on workplace stress and work fatigue among academics by Adebisi (2013) and Barkhuizen, et al. (2014). Academics that are always having stress and unsatisfied with their work will have negative influence on their performance and quality of work and also their commitments towards organization (Adebisi, 2013; Barkhuizen, Roodt and Schutte, 2014). However, O'Laughin and Bischoff (2005) in their study suggested that women have reported higher level of stress as compared to men. Conversely, Purvanova and Muros (2010) in their recent research paper revealed that female and male employee experience equally experience stress. Work stress currently is not a new trend and it is become visible in each of organization until today.

Therefore, based on the arguments, we proposed the following hypotheses:

H1: There is significant relationship between psychological empowerment and organizational commitment

H2: There is significant relationship between work stress and organizational commitment

3. Methodology

Two hundred and ninety seven of academic staff in northern region public universities were participated in this study. The questionnaire were administered to test organizational commitment, psychological empowerment and works stress among academic staff represented various groups and categories such as lecturers, senior lecturers, associate professors and professors. 11 items examined respondents' commitment developed by Meyer and Allen (1991; 1997), 10 items related to psychological empowerment developed by Ashforth (1989); Hackman and Oldham (1980); Jones (1986); Spreitzer (1995) and Tymon (1988), whereas 9 items were utilized to assess respondents' work stress level and the instrument was from Cartwright and Cooper (2002) and Kelloway and Barling (1994). The respondents indicated the extent to which they agreed with each statement on a five-point scale, ranging from 1 (strongly disagree) to 5 (strongly agree). Analysis of data was done using statistical analysis (SPSS version 21.0) and analysis included descriptive, and regression to test the hypotheses.

4. Findings

Respondents Profile

Out of the 297 respondents, 54.2 per cent were female and 45.8 per cent were male. The composition of the highest age group is from 26-30 years which is 32.0 per cent, while the lowest is age less than 25 years (10.4%). The largest group in current position is from lecturer at 70.0 per cent. A majority of them have experience from one to five years. In terms of marital status, 73 per cent were married, 27 per cent were single and 2 per cent were from other status. Finally, most of the respondents hold a Master degree (57.2%) while the rest have PhD and Bachelor degree.

Descriptive Analysis and Reliability

Table 1 shows that the result of descriptive statistics and Cronbach’s alpha reliabilities for the variables. The mean range for all variables in positive side and mostly agree range at 3.16 – 3.39. The reliabilities finding showed the alpha value for each variable in the range between .70 and .82 which that exceeded recommended value .50 suggested by Hair et al. (2010).

Table 1: Means and Reliability Coefficient

Variables	Mean	Std. Deviation	Cronbach’s Alpha
Psychological Empowerment	3.37	.625	.82
Work Stress	3.39	.465	.73
Organizational Commitment	3.16	.366	.70

Hypotheses Testing

Multiple regression analysis was used to explain the hypotheses of this study. The regression results present in Table 2 shows that psychological empowerment ($\beta = .194, p < 0.001$) and work stress ($\beta = .337, p < 0.001$) have positive relationship with organizational commitment. The overall variance explained by this relationship which shows 19.8% in organizational commitment accounted due to psychological empowerment and work stress. Therefore, H1 and H2 are accepted.

Table 2: Summary of Multiple Regression Analysis

Construct	Dependent variable	R ²	F	Std. Error of the Estimate	Beta	t-value	Sig.	Decision
Psychological empowerment	Organizational commitment	.198	37.65	.327	.194	3.42	.001	H1 accepted
Work stress					.337	5.94	.000	H2 accepted

5. Discussion

The results of the descriptive (Table 1) indicated that the academic staff in selected universities had significantly higher in work stress with mean rating of 3.39 and standard deviation of .465. The moderate level was reported for psychological empowerment with (M= 3.37, SD = .625). The results illustrated that the mean value for organizational commitment quite low compare to other variables with value (M = 3.16, SD = .366). To the result it shows that majority of academic staff in this study was low in commitment and high in work stress. Multiple regression analysis (Table 2) was used to determine the relationship between independent variables (psychological empowerment and work stress) and dependent variable (organizational commitment). The results demonstrated that psychological empowerment and work stress found to be a significant relationship with organizational commitment (B= .194, $p < .001$; B= .337, $p < .001$). Thus, the finding led to the confirmation of the research hypotheses (H1 and H2). Furthermore, psychological empowerment and work stress among academic staff explained about 19.8 per cent of variance in their university commitment. The percentage was quietly low and may be there have another factors more influencing on organizational commitment. The results of current findings in line with previous research such as Adebisi (2013), Barkhuizen, Roodt, and Schutte (2014), Khairuddin, and Makhbul (2011), McShane, and Von Glinow (2010), Nabila (2008) and Onn (2012).

6. Conclusion & Implications

Based on the findings, it can be concluded that work stress and psychological empowerment are significant predictors of organizational commitment. In order to increase the commitment of staff, the organization should provide enough facilities within organization. Give recognition for those who perform well. Furthermore, the top management has to friendly and close with their staff. The organizational also need to understand the needs and want of the staff and take note with their problem. Don't push the staff to perform task that not link with their job description. Nowadays, stress among employees is a dominant issue, and organizations are obliged to come up with plans for stress reduction and management.

The study of organizational commitment among academic staff nowadays is becoming more popular for researchers because of its link to behavior and attitudes that contribute to organizational outcomes and as a result may play a key role in how academic staff works in order to achieve goals and objectives of universities and student performance as well. However, many researchers much focus on academic staff in private sector. Even so, the researchers should also pay attention among academic staff in public sector because to become a Research University (RU), the level of committed performance among academic staff is extremely important since it would affect the productivity, creativity and quality contribution and also would affect the perception of external stakeholders toward university as a whole. In the same with other studies, this study also has some limitations. Firstly, this study focuses on academic staff; future research could further extended for non-academic staff as well. Secondly, the sample size was too small which is focus on northern region area; future research should employ a much larger sample size and focus on Peninsular Malaysia. Thirdly, a cross-sectional strategy was employed when doing survey distribution; future studies could look into and employ a longitudinal strategy for further findings. In addition, the researcher also recommend a few approaches to be undertaken by identifying other factors such as work-life balance, job overload, job security, pay and benefits, communication and work conflict that effect employee's commitment towards organization.

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Corporate Social Responsibility for Children's Education in the Rural Areas: Insights from Literature Review

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Abstract

This paper is based on the on-going doctoral research of the author. The aim of the paper is to know how Corporate Social Responsibility (CSR) could contribute in children's education in the rural areas. Due to the costs, most of the educational programmes were not reported, non-disclosure, irrespective of company nationality, lack of recognize reporting framework and fear how the reader would react (Thompson and Zakaria, 2004). Department of Statistics Malaysia reported that as of year 2010 there are 117,607 not yet schooling and 29,845 never attended school among 1.6 million children between five and fourteen years old. As Malaysia is a small country, 'never attended school' and 'did not go to school' should not happened in this developing country. Government have provided education facilities like schools and teachers, corporate should also be part of the education system for practical, to encourage and motivate the students in the under-served areas. De Muro and Burchi (2007) stated that increased access to relevant and quality basic educational services for rural people improves productivity, food security and livelihoods. Corporate social should not just be a 'responsibility' but should be 'sustainability' for the rural community. (291 words)

Keywords: CSR, Corporate Social Responsibility, Rural Education, Children, Educational Programme

1. Introduction

Globally, government, private companies and Small Medium Enterprises (SMEs) have been practised CSR as part of their companies role and culture. There are three words in CSR where corporate, social and responsibility itselfs have its own meaning which corporate represents people who do or involves in business, social represents the whole community and responsibility represents the tasks that have to be done. Dahlsrud (2008) in his research coded CSR in five dimensions which are environmental dimensions (the natural environment), social dimension (the relationship between business and society), economic dimension (socio-economic or financial aspects), stakeholder dimension (stakeholder and stakeholder groups) and voluntariness dimension (actions not prescribed by law).

The objective of this paper is to know how CSR could contribute in children's education in the rural areas. The educational programme could be conducted in the rural schools. Suitable educational programmes can accommodate the need of the schools for the children. Laszlo (2010) in his research stated that in identifying successful educational programmes, the aimed must be to improve access school and raise the quality of rural schooling, and in assessing their impacts on educational outcomes. Ismail, Fauzi and Johar (2013) recommended that multinational companies should conducted the educational programmes that can be adapted by the locals.

As such, it can be concluded that CSR dimensions have been spread out through environment, social, economic, stakeholder and voluntary. In fact, CSR educational programmes for the children in school can help to raise the quality of the rural schooling and to assess the impacts on educational outcomes (Laszlo, 2010).

2. Literature Review

Merck and Co. Inc (2009) stated that some of the general principles of CSR are; corporations have a duty to correct adverse social impacts they cause, social responsibility varies with company characteristics, managers should try to meet legitimate needs of multiple stakeholders, corporate behaviour must comply with norms in an underlying social contract, and; corporations should accept a measure of accountability toward society.

2.1 CSR in Malaysia from the culture's and religion's perspectives

Though Malaysia is following the footsteps of developed countries, there are still a lot of differences between them such as economic development and practices, religious beliefs, culture and social values (Mohamed Zain, Mohammad and Ibrahim, 2006). Research decades ago by Votaw (1973) have already stated that art and culture, instead of economy, are beginning to shape the social structure. Mohamed Zain and Mohammad (2007) proven a success in Malaysia's local giant companies such as Guthrie, Sime, Petronas, IJM, YTL that have shown great improvement in their CSR disclosure. They are exporting the Malaysian cultures and values to their subsidiaries abroad (Mohamed Zain and Mohammad, 2007). Lee, Mak, and Pang (2012) in their study stated that religion and individual values of SME owner-managers have a significant impact on CSR decision making process. How modern or developed Malaysia are, the Malaysian and Asian culture should not be dissolved as said by the interviewer below;

It is in our eastern culture to be modest which our company adopts. This culture should never be forgotten. (Interviewee for Mohamed Zain, Mohammad and Ibrahim, 2006).

No matter what racial, culture or religion, the focus would be the same, which is to help the community.

2.2 Children's Rights

It would be remarkable if the children can be part of the decision making as they will be the shareholders in the future. Furthermore, the children would understand more what other children wants. Adults will have to look on the pros and cons before the matter been raised up and implemented. We can work to develop a truly child-centred understanding of what it means to say that children have children's rights, so that thinking of children in terms of children's rights would necessarily lead to a better outcomes for children (Ferguson, 2013).

Referring to Convention on the Rights of the Child (CRC) (Unicef, 2011), children right for the education were mentioned in the Article 28 and Article 29. Archard (2004) in his book stated that the CRC gives children rights to; freedom of expression, association, thought, conscience and religion; protection against abuse and violence; enjoyment of the highest attainable standard of health, education, rest and leisure; protection from economic exploitation and hazardous work. In reality there are no such thing of education for the certain culture as education is important and it should be thought for all human level either children, adult or senior citizen. Education is broad and it is not just a formal education at school but it can also be a non-formal education where the children could learn.

CRC has stated that children have right to education, which education is compulsory for all the children. CRC has been prepared as a guideline and it is the adult's responsibility to assure that it has been done or on-going in their country.

2.3 What Children Want and What Children Need

2.3.1 What children want

The children who love school suggested that social studies would be more interesting if there are more maps, globes, videotapes, trade books, and interactive software Zhao and Hoge (2005). This would not happen if there is no moral support from the school administration. Other than that, they wanted to have more support and to attend workshops promoting creative ideas for how to integrate social studies with other content areas, especially language arts and math, so that they could justify giving social studies more attention (Zhao and Hoge, 2005). As such it is clearly seen here that all parties which teachers and school administrations are involved to make learning interesting for the children at school.

2.3.2 What children need

Children need many loving experiences, opportunities to express their feelings about being loved and also need experiences in managing their emotional lives—learning to control their reactions to various situations (Swick, 2005). Erikson (1975) earlier in his book about eight stages of man, which in second stage called industry and inferiority (early school stage), the inner stage seems all set for ‘entrance into life’, except that life must first be school life, whether school is at the field, jungle or classroom. Some of the children do not like to go to school since they could not see what the purpose of school as staying at home is much more fun with television and gadgets. School is a must, as that is part and parcel of life, and that is where they learn new things. Parents or guardian, have to play their important role to support and give motivation to them to go to school. Many child’s development is disrupted when family life had failed to prepare him for school life or when school life fails to sustain the promises of earlier stages (Erikson, 1975).

2.4 Education for the Children in the Rural Areas

Although there are certain constants, such as literacy and numeracy skills, the basic learning needs of rural children and adults today are probably more extensive than those of a generation ago and these learning needs to continue to evolve (Lakin and Gasperini, 2003). De Muro and Burchi (2007) stated that research focusing specifically in education and rural development indicates that increased access to relevant and quality basic educational services for rural people contributes directly and positively to improves productivity, food security and livelihoods.

‘School learning’ may appear quite irrelevant and unnecessary in respect to their more immediate survival needs. Consequently, schooling must offer an attractive and affordable alternative in order for such families to accept to enrol their children in school, forego their labour and pay the direct costs of schooling, such as fees, books, materials and uniforms (Lakin and Gasperini, 2003). Basic needs are crucial to sustain the human life.

As Malaysia is a small country, never attended school should not happened in this developing country. Ministry of Education Malaysia (2013), stated that Malaysia ranked number 54 for reading, 57 for mathematics and 52 for science which the international average is 40. Forget about ranking in the world but focus more on the children and the community. By working on the rank will not give the quality of education for the children, but working on to ensure that all children must get formal education.

2.5 Corporate Social Responsibility to Corporate Social Sustainability

One of the objectives for social responsibility is to contribute to the sustainable development. Sustainable development could be defined in a broad context. It has been stated by Votaw (1973) decades ago that it is no longer necessary for society as a whole to shape itself to the economy in order to produce the necessities of life, but it is becoming increasingly necessary

for the economy to adjust to the rest of the society. CSR contribution is not only within the human but also the environment. Frost (2011) added that sustainable business for organizations means not only providing products and services that satisfy the customer, and doing so without jeopardizing the environment, but also operating in a socially responsible manner.

An economist Friedman (1970) in his article mentioned that only people have responsibilities while a corporation is an artificial person and in this sense may have artificial responsibilities, but business as a whole cannot be said to have responsibilities. As said before, business would not happen without the community. Depending on the community to only buy the products or use the service is not enough without organisations responsibility to tackle community's 'heart' by practising social responsibility. Furthermore, Coombs and Holladay (2012) stated that when CSR is infused throughout various departments, it becomes part of the corporation's culture and ownership of CSR is advanced and it will lead 'everyone's responsibility' thereby reinforcing its importance to the organisation. Meanwhile, CSR actually benefits both organisations and society but still there will have pros and cons. The challenge is how to put the principles into practice and how to implement social responsibility (SR) effectively and efficiently when even the understanding of what "social responsibility" means may vary from one programme to another (Frost, 2011).

3. Discussion

In 2007, Malaysia Khazanah Nasional Berhad introduced The Silver Book as a guideline for the Government Link Companies (GLCs) and corporate companies who wish to implement CSR. The Silver Book mentioned that CSR would contribute in terms of cash, facilities, give awareness, motivate and educate for the growth of the country's economy, social well-being and environment. Moreover, Lu and Castka (2009) stated that, CSR awareness can benefit Malaysia, but it will take time to convey this message across to the public and it will be a long-term investment. According to the Department of Statistics Malaysia (2010), the children in the rural area as of the year 2010, age between five and 14 are 1.6 million. Corporate companies and GLCs must work together to adopt some schools, to give support in terms of facilities, motivation and awareness, to the children on the importance of education and attending schools daily.

As from the children side, they want people to listen to them as they have the feeling of wanting, needing, trusting and respecting. Furthermore, Allen-Meares (2007) stated in her book that one of the social work values in school, is that the children are entitled for equal educational opportunities and learning experiences according to their individual needs. It is true indeed that the adult nowadays wants the children to follow what they do. Besides, the education system now do not encourage the children to think creatively on their own but were spoon fed by the system. It is now our responsibility to encourage in creative learning and encourage the children to have creative thinking. Research by Bano, Nasser and Zainab (2014) stated that creativity is found to be significant predictor of academic achievement that has got positive impact on achievement in each subject and overall academic achievement. If creative thinking enhances the quality of solutions in problem solving, educators should make efforts that will require major adjustments in curriculum and in programmes of teacher training as well, to educate children so they can contribute to society that requires creative thinking (Hong and Milgram, 2010).

CSR could contribute to the children's education in rural areas through the educational programmes at school. The corporate companies can conduct the educational programmes with help from the education ministry or allocate some money to the school and let the school

conduct the educational programmes with the corporate companies' supervision. Bakar and Mohamed (2007) in their research stated that assuming that students do not like science and technology because of their limited knowledge about the disciplines, it is vital for the schools to hold science and technology programme. Besides, science and technology educational programmes can be conducted by the corporate companies for the rural schools. Moreover, Royse et al., (2006:9) suggested that the characteristics of 'good' social service programmes are based on staffing, budgets, stable funding, recognized identity, conceptual or theoretical foundation, a service philosophy, systematic efforts at empirical evolution of services and evidence-based research foundation. Social service programmes could also add these learning experiences as stated by Elton-Chalcraft and Mills, (2013).

- i) Allow the children time and opportunity in giving more ownership of learning to them.
- ii) Creating fun and challenging environments and learning activities.
- iii) Focusing achievements through intrinsic motivation.
- iv) Engaging the children in practical activities and scenarios.
- v) Providing a safe environment to take risks and learn through mistakes.

4. Conclusion

As such, if the CSR educational programme can help part of our children's education in the rural areas, then it will be more meaningful if more corporate companies could joint venture in the educational programme that will be conducted at school. Furthermore, there are more valuable impacts than the loss in implementing CSR in companies. Hur et al (2013) agrees that CSR has a significantly positive effect on corporate brand credibility and corporate reputation. Not only individuals have responsibilities but even companies have responsibilities which is called social responsibility. Long-term social responsibility could lead to social sustainability.

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Clinical Trials: The Conflict between the Doctors' Financial Interests of in Recruiting Patients and the Patients' Best Interests in Malaysia

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Abstract

The Hippocratic and the principle of beneficence require that doctors should always act in the patient's best interest. However, once the 'doctor' puts on the hat of a 'doctor-investigator' by involving in clinical trials, the responsibility to safeguard the interests of the patient is no longer a priority. This is because the interest or intent of the doctor-investigator is different from that of the doctor who offers medical treatment solely in the best interests of patients. Instead, there are many interests of doctor-investigators, which include financial incentives in return for recruiting patients as research subjects. When there is a conflict between the financial interests of doctors in recruiting patients and patients' best interests, ethical challenges to the integrity of doctor-investigators may arise in making decision which is not bias. Hence, the objective of this paper is to discuss about conflict of interests between the doctor-investigator incentives to recruit and the doctor-investigator's duty to keep the patients' best interest. A qualitative methodology has been used in the process of writing this conceptual paper. The findings show that incentives gained by doctor-investigators in return for recruiting patients violate the principle of ethics because of the conflict of interests bearing in mind that the Hippocratic and the principle of beneficence require doctors to act in the patients' best interest.

Keywords: Conflict of Interests; Incentives, Recruiting Patients; Patients' Best Interests; Drug Company; Doctor-Investigators.

1. Introduction

The Hippocratic and the principle of beneficence require that doctors should always act in the patient's best interest. However, once the 'doctor' puts on the hat of a 'doctor-investigator' by involving in clinical trials the responsibility to safeguard the interests of the patient is no longer a priority. This is because the interest or intent of the doctor-investigator is different from that of the doctor who offers medical treatment solely in the best interests of patients. Instead, there are many interests of doctor-investigators, which include financial incentives in return for recruiting patients as research subjects (Lenrow, 2006).

It is pertinent to note from the very beginning that recruiting humans as research subjects is important in clinical trials for the development of medical science. Unless an adequate number of participants is entered, the trial will not be able to answer the questions about benefit and risk. Therefore, there is a great pressure to recruit an adequate number of participants and to do so as quickly as possible. Likewise, the process to recruit humans as research subjects is not an easy thing. It is a problem often faced by the drug company wishing to test new drugs. In 2001, the Centre Watch reported that more than 85% of completed clinical trials experienced delay in the recruitment process, while 34% were also delayed for more than a month (Smith, 2008). As such, drug companies are 'forced' to make doctors their target for patient recruitment as research subjects. In return, the doctor-

investigators are given incentives for each patient they successfully recruit (Gatter, 2006). When these doctor-investigators are also a patient's doctor, there is a direct conflict of interest between the doctor-investigator's incentives to recruit and the doctor-investigator's duty to keep the patient's best interest in mind (Sandhya Srinivasan, 2010). Where there is a conflict of interest, ethical challenges to the integrity of doctor-investigators will arise.

Conflict of interest in clinical trial may exist when a doctor accepts a fee, gift or other incentive for finding and recruiting research subjects, especially if the research subject is his or her patient (College of Physicians and Surgeons of British Columbia, 2009). Some have defined conflict of interest as a situation in which the self-interest of the individual is in conflict with an obligation (Khushf and Gifford, 1998). Thompson (1993) has defined a conflict of interest as situations that cause conflicts when a decision is made to give priority to the acquisition of secondary importance such as financial income overcome such primary importance welfare of patients. Therefore, it can be said that a conflict of interest generally occurs when a person is entrusted to act or make decisions on behalf of others. In clinical trials, conflict of interest cannot be avoided as doctor-investigators are the one who is responsible to determine whether patients should participate in clinical trials as research subjects (Lo *et al*, 2000). The Hippocratic and the principle of beneficence require that doctors should always act in the patient's best interest. However, when there is a conflict between the financial interests of the doctor-investigators in recruiting patients and patients' best interests, ethical challenges to the integrity of doctor-investigators may arise in making decision when these doctor-investigators are also a patient's doctor. Hence, the objective of this paper is to discuss about conflict of interest between the doctor-investigator's incentives to recruit and duty to keep the patient's best interest. In Malaysia, no study has been conducted on conflict of interests of of doctor-investigators. Despite this being the case, as a country we are not free from this problem. Thus, the authors were motivated by this fact and decided to embark on this study in order to find ways and means of overcoming this problem. A qualitative methodology has been used in the process of writing of this conceptual paper.

1.1 The Causes of Conflict of Interests

In general, medical codes of ethics across the world prohibit doctors to put their financial interests above the interests of their patients. For example, the American Medical Association's Code of Medical Ethics specifies that: "Under no circumstances may physicians place their own financial interest above the welfare of their patients". In Malaysia, the Code of Professional Conduct 1987 adopted by the Malaysia Medical Council states that: "A prescribing practitioner should not only choose but also be seen to be choosing the drug or appliance which, in his independent professional judgment, and having due regard to economy, will best serve the medical interests of his patient. Practitioners should therefore avoid accepting any pecuniary or material inducement which might compromise, or be regarded by others as likely to compromise, the independent exercise of their professional judgment in prescribing matters. ... It is improper for an individual practitioner to accept from a pharmaceutical firm monetary gifts or loans or expensive items of equipment for his personal use". However, when it comes to rewards particularly in the form of 'generous money', anyone including doctor-investigators will deviate from these codes of ethics.

Incentives in the form of payment accepted which generally exceeds patients' expenses incurred by doctor-investigators lead them to enroll inappropriate participants. According to Foster (2003), a doctor may receive \$3000 per recruit or higher and a quota of 30 patients may be called for in the study design. A study has shown that there are doctor-investigators

who recommend trial drugs to patients by participating in clinical trials although the patients are likely to be better treated with existing treatments or no treatment (Shimm and Spece, 1991). There are also studies showing that doctor-investigators do not care about the inclusion and exclusion criteria established by the research protocol by recruiting patients who had no connection with the illness thus posing a danger to the safety of life of their patients. In fact, there are also doctor-investigators who commit fraud, falsifying recruit records solely to earn more income (Gatter, 2006; Lemmens and Miller, 2003; Caulfield and Griener, 2002).

Furthermore, money can also interfere with the researcher's ability to promote the rights and welfare of human subjects. A doctor-researcher with strong financial or personal interests in recruiting human subjects for a clinical trial may oversell the trial to his patients or take other steps to compromise the informed consent process (Shamoo and Resnik, 2003). The existence of a doctor-patient relationship also indirectly leads the patients to believe and feel confident that the invitation to participate in the trial is for their best interest. In addition, the borne illness makes patients have to rely on doctor-investigators to decide whether to enroll in the trial making them easy prey to be exploited as research subjects. This seems to be true by virtue of Paragraph 26 of the World Medical Association Declaration of Helsinki which states: "When seeking informed consent for participation in a research study the physician should be particularly cautious if the potential subject is in a dependent relationship with the physician or may consent under duress. In such situations the informed consent should be sought by an appropriately qualified individual who is completely independent of this relationship". In fact, it is well established that the doctor-patient relationship is generally one of dependence. This is true in Malaysia. As mentioned earlier, the Malaysian society, especially the patients place great trust on their doctors. As such, doctors do not disclose full information to them. A study by Yuhanif, Anisah and Zaki Morad (2014) revealed that doctor-investigators fail to disclose full information to patients. Instead, doctor-investigators only disclosed information which they thought were necessary for the patients to know. The study also showed that there were doctor-investigators who did not disclose information at all to their patients.

In Malaysia, there is no study that has been conducted on conflict of interest of doctor-investigators. However, this does not mean that there is no such problem in the country. In support of this view, a reference can be made to the points put forward by the former Chairman of Malaysian Research Ethics Committees Dato' Dr. Zaki Morad Mohamed Zahir (personal communication, 1 January 2015). He stated that: "*Konflik kepentingan memang wujud di kalangan doktor-penyelidik di Malaysia antaranya adalah melalui bayaran yang diterima daripada pihak industri sebagai balasan merekrut pesakit ... by right doktor-penyelidik kena bagitau pesakit tentang perkara ini tapi banyak orang (doktor-penyelidik) tak bagi tau.*" This opinion is also shared by the former Director of Clinical Research Centre Ministry of Health Dr. Lim Teck Onn (2008) in his paper titled, "Case studies and ethical issues in clinical trial" which was presented at the Good Clinical Practice Workshop held by the Sultanah Bahiyah Hospital Alor Setar on the 12 to 14 August 2008. He stated that, "*Conflict of interests is extremely common, in fact conflict of interests is unavoidable*". Indeed, it is undeniable that the doctor-investigators should be given compensation for their time, expertise and effort to do research. One could argue, however that the incentives in the form of generous payment are intended to do more than merely compensate doctors for their effort (DeRenzo, 2000). As such, money or reward given by drug companies to doctors for recruiting patients into a study or trial is considered unethical practice (College of Physicians and Surgeons of British Columbia, 2009).

1.2 Law Relating to Disclosure of Conflict of Interests

Where conflict of interest cannot be avoided, the usual remedy is disclosure. The Declaration of Helsinki explicitly requires doctors to fully disclose information of all their relevant financial conflict of interest to the patient. Article 26 states that: “In medical research involving human subjects capable of giving informed consent, each potential subject must be adequately informed of the aims, methods, sources of funding, any possible conflicts of interest, institutional affiliations of the researcher, the anticipated benefits and potential risks of the study and the discomfort it may entail, post-study provisions and any other relevant aspects of the study”. Nevertheless, generally patients are not told that the 'doctor' will be paid by the drug company for entering them into a study (Harper and Reuter, 2009). The absence of federal requirements on doctor-investigators or institutions to disclose financial conflict of interest to patients (Kim et al, 2004) makes things worse. To put it simply, the disclosure of information by doctor-investigators on relevant conflict of interest is not a legal requirement. Therefore, it is not surprising that the Institutional Review Boards (IRBs) do not require doctor-investigators to disclose information on the ‘payment transactions’ during the informed consent process. In fact, there are IRBs who think it is a private matter between doctor-investigators and sponsors (Roizen, 1988). However, there is a precedent in tort law for suing doctor-investigators or institutions for insufficient disclosure of conflicts (*Moore v. Regents of University of California* 793 P.2d 479 (CA, 1990), cert. denied 112 S. Ct. 2967 (1992); *Grimes v. Kennedy Krieger* 782 A.2d 807 (MD, 2001)). This is because the law of negligence holds doctor-investigators liable for failing short of the customary standard in informing patients or subjects about the potential risks of a particular intervention. It is the duty of the doctor-investigators to provide full information to subjects to get consent.

In Malaysia, until today there is no case law decided by the courts on the conflict of interests. In fact, the only guidelines that are related to clinical trials is the *Malaysian Guidelines for Good Clinical Practice* which also does not outline any provisions relating to the duty of doctors to disclose information on the conflict of interests to patients. This raises concerns to various parties. In fact, concerns to this matter was voiced out by the former Director General of Health Tan Sri Dr Mohd Ismail Merican at the *Ethical Issues in Clinical Research Conference* on 22 December 2005 saying that: “As the benefits offered by health research are becoming obvious, so too are the concerns they raised in terms of the ethical, legal and social issues with regard to the participation of human subjects ...”. Also, a Malaysian local newspaper, the *New Strait Times* (2002) has reported that: “Eyeing the expanding market for clinical research in the region, Malaysia is trying to position itself as an ideal place for pharmaceutical majors to conduct clinical trials. But critics worry about weak safeguards and poor enforceability of exiting regulation”. So, the only way for patient to know whether doctor-investigators have conflict of interest is to ask the doctor-investigators. Nonetheless, it is impossible for this to happen, in view of the attitude of the Malaysian society where patients put high hope on doctors.

Likewise, there have been efforts or measures taken by the government to enforce guidelines on clinical trials. For example, the *Control of Drugs and Cosmetics Regulations 1984* (Revised 2006) states that: “The Director of Pharmaceutical Services may issue written directives or guidelines to any person or group of persons as he thinks necessary for the better carrying out of the provisions of these Regulations and which in particular relate to clinical trials”. However, it is important to note that these regulations only exist in the form of directives issued by an administrator. Hence, the regulations are weak and can be disputed in terms of their legal aspects as compared to a legislation or an Act passed by the Parliament or

the Legislative Assembly which has to go through a fairly rigorous process. As such, it is a high time to impose a duty on the doctor-investigators to disclose information related to conflict of interest to safeguard the patients' welfare. Henceforth, the authors humbly believe that Malaysia should learn from Singapore and adopt a model to formulate regulations governing clinical trials in the country which could be incorporated under the Medicines Act giving such regulations a force of law. This would allow doctor-investigators to be punished if in case they contravene or fail to comply with the Act (regulations). In Singapore, they have Medicines (Clinical Trials) Regulations which have been incorporated under the Medicines Act (Chapter 176, Sections 18 and 74). For instance, section 20 provides that doctor-investigators are prohibited from having any directly or indirectly financial interest in the trial.

2. Conclusion

Indeed, incentives to doctor-investigators in return for recruiting patients violate the principle of ethics as doctor-investigators cannot put their personal or financial interests above the interests of patients. However, this is not an easy thing to do because when confronted with generous money then anyone would be influenced. As such, when faced with the problem of conflict of interest, a doctor-investigator must be honest with patients by disclosing related information and recruiting only a qualified patient as the research subject. This is because the doctor-patient relationship which is based on trust and dependency creates an unusually high danger of exploitation and abuse. In fact, doctor-investigators must also be honest with themselves as medical code of ethics clearly prohibits them to put their personal interests above the interests of their patients. This is so because doctor-investigators' financial conflict of interest have the potential to undermine this trust. When there is no trust in the doctor-patient relationship, then there is no guarantee of continuity in the progress of clinical trials as there would be no participation by patients. It is indeed a matter of balancing between these two conflicting interests. Hence, it is inevitable that Malaysia should indeed learn from the Singapore as a model to formulate its own laws dealing with clinical trials.

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Satisfaction and Perception of Residents with Adoption of Bioclimatic Design Strategies: A Findings from Racial and Ethnic Perspectives

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Abstract

A satisfaction and perception survey was carried out at the end of academic session to assess the effects of recent adoption of bioclimatic design strategies in influencing the residents' comfort levels and the appropriateness of an old building to meet the needs of contemporary life. This residential building is located in Kuala Lumpur and was recognised as a residential college building with the most considerate implementation of bioclimatic design strategies, particularly in terms of the daylighting and natural ventilation. As relying on 95% confidence level and $\pm 5\%$ margin of error from the overall population, a total of 266 responses retrieved were fully supplied by the respondents. The majority of respondents are satisfied and feel comfortable with regards to all performance indicators including the architectural elements, visual comfort, thermal comfort and indoor air quality. Numerous differences were identified by comparing the responses among the race and ethnic groups, obviously on visual comfort, thermal comfort and indoor air quality, the usage pattern of windows and ceiling fan, and thermal sensation based on 7 point of scale. As conclusion, the bioclimatic design strategies including daylighting and natural ventilation at an old residential building are still appropriate to meet the needs of contemporary life. However, there is still room for improvement, especially on the acoustic requirements. The racial and ethnic composition considerably influence the satisfaction and the perception levels of respondents and these aspects should be highly considered in implementing the improvement measures to ensure the comfort level of the room.

Keywords: Bioclimatic Design, Ethnic, Racial, Residential Building, Survey.

1. Introduction

The residential college building is a multi-residential building which provides accommodation for university students. This building is also referred as a hostel which contains leisure areas, lounges, meeting rooms and laundry facilities (Jamaludin, 2014). Dayasari Residential College (DRC) established in 1966 with 18,212.51m² of total floor area. This residential college is low-rise, naturally ventilated building and able to accommodate 847 residents at one time. The building arrangement is based on the internal courtyard arrangement that encourages various implementations of bioclimatic design strategies, especially under the daylighting and natural ventilation conditions (Jamaludin, et al., 2011).

The building's orientation to the sun path of DRC is north-south that reduces the glare and the thermal effects inside the rooms (Ahmad, 2008). At the west-east orientation, there are only service areas, such as toilets, bathrooms, stores, staircases and balconies. The internal courtyard provides daylight and natural air in the corridor and staircase area whereas inside the room daylight and natural air can be obtained through the transom on top of the entrance door and the wall. DRC was designed with glare protection and adjustable/fixed opening options. There are two types of windows with tinted glasses, centre pivot and awning.

The window to wall ratio (WWR) is quite big, 0.66, while the window area is 6.41m². The combination of operable window and transom on top of the entrance door and the wall forms cross-flow/two sided ventilation (Tantasavasdi, Srebric and Chen, 2001). The presence of the wall opening in the room creates a wind pressure inside the room. In order to produce significant shadow effects to the rooms, there are large horizontal overhangs along the window in each room.

2. Research Methodology

The survey done by Jamaludin, et al. (2014) have been adapted to restructure the questionnaires. The questions have been improved to obtain a clearer picture of satisfaction and perception level of the residents towards the recently implemented bioclimatic design strategies. The questionnaires use a Likert Scale format where each number generally responds to a specific scale as listed below,

- -2: very poor/not at all/very uncomfortable/much decreased/too dark/very dissatisfied/very noisy,
- -1: poor/slightly/uncomfortable/decreased/dark/dissatisfied/noisy,
- 0: fair/moderate/neither/no changes,
- +1: good/very/comfortable/increased/bright/satisfied/quiet,
- +2: very good/extremely/very comfortable/much increased/too bright/very satisfied/very quiet.

ASHRAE 7 point of the thermal sensation scale has been adopted in the further questionnaires of thermal comfort (Singh, Mahapatra and Atreya, 2011). The scale ranges from -3 to +3 where, -3: cold, -2: cool, -1: slightly cool, 0: neutral, +1: slightly warm, +2: warm, and +3: hot. Further survey was done by focusing on the usage pattern of the windows and ceiling fan. The questionnaires were distributed to all residents with the minimum number of feedbacks and with reliance on 95% of the confident level and ±5% margin of error from the overall population at each residential college. A simplified formula introduced by Yamane (1967) was used to calculate the sample sizes,

$$n = N / 1 + N (e)^2$$

where, n is sample size, N is the population size and e is the level of precision. In this study, the level of precision is 0.05. The survey was carried at the end of academic session where the results obtained were more accurate as residents have stayed for at least one semester or 14 weeks at the residential college. All the collected questionnaires were analysed statistically by using a statistical software package.

3. Results and Discussion

A total of 266 responses retrieved were fully supplied by the respondents, relying on 95% confidence level and ±5% margin of error from the overall population. The results of the satisfaction and perception survey of residents at DRC are presented in Table 1. According to the percentages, the majority of respondents were experiencing a satisfactory level of comfort

in all performance indicators, except for the acoustic elements. About 50.2% of respondents claimed that the general room and residential building layout which is the internal courtyard with open corridor were ‘good’. Meanwhile, 49.8% agreed that the rooms had fulfilled their needs very much.

Table 1: The result of satisfaction and perception survey

The performance indicators		Likert scale / Residents' responses (%)				
		-2	-1	0	+1	+2
Architectural elements	The general room layout	1.5	7.5	27.2	50.2	13.6
	The residential building layout	0.4	8.7	28.7	50.2	12.1
	The adequacy of room in fulfil the needs	1.1	11.4	25.5	49.8	12.2
	The overall quality of the residential building	1.1	6.0	28.7	52.1	12.1
	The overall comfort level of the room	0.8	4.5	29.1	53.6	12.1
Visual comfort	The adequacy of daylighting in the room	4.2	12.0	34.4	40.9	8.5
	The overall quality of daylighting in the room	1.5	7.7	28.8	48.5	13.5
Thermal comfort & IAQ	The thermal comfort of the room	3.4	11.7	29.7	43.6	11.7
	The ventilation & IAQ of the room	1.9	13.4	29.8	46.2	8.8
Acoustic comfort	The noise/vibration level in the room	2.7	15.6	41.6	33.6	6.5

The majority of the residents which were represented by 52.1% felt ‘good’ about the overall quality of the residential building and 53.6% of respondents were ‘comfortable’ with the overall condition of the room. Regarding the visual comfort aspects, the majority of respondents (48.5%) were ‘satisfied’ with the overall quality of daylighting in the room. They claimed that the adequacy of daylighting in the room was ‘bright’ (40.9%).

Under the thermal comfort and Indoor Air Quality (IAQ) elements, the majority of respondents felt ‘good’ with both indicators, which are the thermal comfort in the room (43.6%) and the ventilation and IAQ of the room (46.2%). We noted that 59.7% of respondents were highly reliant on the ceiling fan at the highest speed of five (50.2%), rather than natural ventilation through the opening of windows in order to promote air circulation and movement inside the room, as presented in Table 2.

Table 2: The usage pattern of windows and ceiling fan

The frequency of ceiling fan usage in a day	Residents' responses (%)						
	Never	Rarely	Sometimes	Frequently	Every time		
	0.4	3.1	10.9	26.0	59.7		
The fan speed is often used	One	Two	Three	Four	Five		
	0.4	2.7	17.1	29.6	50.2		
The frequency of the windows is kept open in a day	Never	Rarely	Sometimes	Frequently	Every time		
	18.3	14.8	21.0	30.4	15.6		
The reason for not opening the windows	Insect	Safety	Rain	Dust	Privacy	Monkey	Others
	3.4	16.1	6.3	9.8	20.5	38.0	5.9

Further survey on the usage pattern of windows and ceiling fans at DRC revealed that the ‘monkey’ (38%) became the main reason for the residents to not open the windows, which was then followed by ‘privacy’ (20.5%), ‘safety’ (16.1%), ‘dust’ (9.8%), ‘rain’ (6.3%), ‘others’ (5.9%) and ‘insect’ (3.4%). However, some of the residents are still keeping the windows ‘frequently’ open (30.4%). Comparatively, the insects were the main reason why residents did not open the windows of residential buildings in the hot-humid climate of Malaysia (Kubota, Chyee and Ahmad, 2009). The level of acoustic comfort is not very clear

when the majority of respondents who were represented by 41.6% had voted ‘neither’ for the noise/vibration level in the room.

Regarding thermal comfort elements, a detailed survey has been done by adopting thermal sensation votes on ASHRAE 7 point sensation scale, which ranges from -3 to +3.

The majority of the respondents, 39.3% claimed to have been feeling ‘neutral’, as presented in Table 3.

Table 3: Thermal sensation votes

ASHRAE 7 point sensation scale / Residents' responses (%)						
-3	-2	-1	0	+1	+2	+3
Cold	Cool	Slightly cool	Neutral	Slightly warm	Warm	Hot
0.4	7.0	8.7	39.3	25.2	16.5	2.9

Further statistical analysis was done by comparing the percentage of respondents with regard to race and ethnicity. Numerous differences were discovered by comparing the responses among the race and ethnic groups, obviously on thermal comfort and indoor air quality, visual comfort, the usage pattern of windows and ceiling fan, and thermal sensation, as presented in Figure 1 to 3. The dissimilarities of beliefs, traditions, and ways of life influence the behaviour and thermoregulatory responses (Katsuura, et al., 1993; Chung and Tong, 1990; Yang and Wang, 2013). The majority of the Chinese and ‘Other’ respondents rated one notch lower as compared to the overall rate (Table 1) in some parts of the elements. The majority of Chinese respondents claimed that the adequacy of daylighting in the room was ‘neither (adequate nor inadequate)’. Whilst, the usage pattern of windows was quite confusing when the majority of Chinese respondents voted ‘sometimes’ and ‘never’ for the frequency of the windows being kept open in a day and the time the windows has are always open in a day, respectively. For ‘Other’ racial and ethnic groups, the majority of them claimed that the residential building layout, adequacy of daylighting, overall quality of daylighting were ‘fair’. The safety, rain, dust, privacy, and the existence of wild animals like monkeys become reasons for ‘Other’ respondents for not opening the windows due to the equal percentage for each reason cited (20%).

The majority of the Indian respondents rated one rate higher than the overall results for certain performance indicators. The general room layout was voted to be ‘very good’, and the noise/vibration level in the room was regarded as ‘quiet’. Most of them felt that the thermal comfort level of the room was ‘slightly warm’. By contrast, the ventilation and IAQ of the room had been rated one rate lower than the overall results. The majority of the Indian respondents voted ‘fair’ for this performance indicator. Regarding the usage pattern of windows, ‘safety’ has become the main reason for the Indian respondents to not open the windows. There are no obvious differences in the Malays’ responses compared to the overall rate, except for responses on the ventilation control of the room. The majority of the Malay respondents voted ‘fair’ for this particular performance indicator.

4. Conclusions

The majority of the respondents are at a comfort level in all performance indicators of architectural elements, visual comfort, thermal comfort and indoor air quality. The racial and ethnic composition considerably influence the satisfaction and the perception level of respondents.

Consequently, the bioclimatic design strategies including daylighting and natural ventilation at an old residential building are still appropriate to meet the needs of contemporary life.

However, there is still room for improvement, especially on the acoustic comfort. The racial and ethnic composition aspects should be highly considered in implementing the improvement measures to ensure the comfort level of the room.

Figure 1: The result of satisfaction and perception survey on architectural elements according to the race and ethnicit

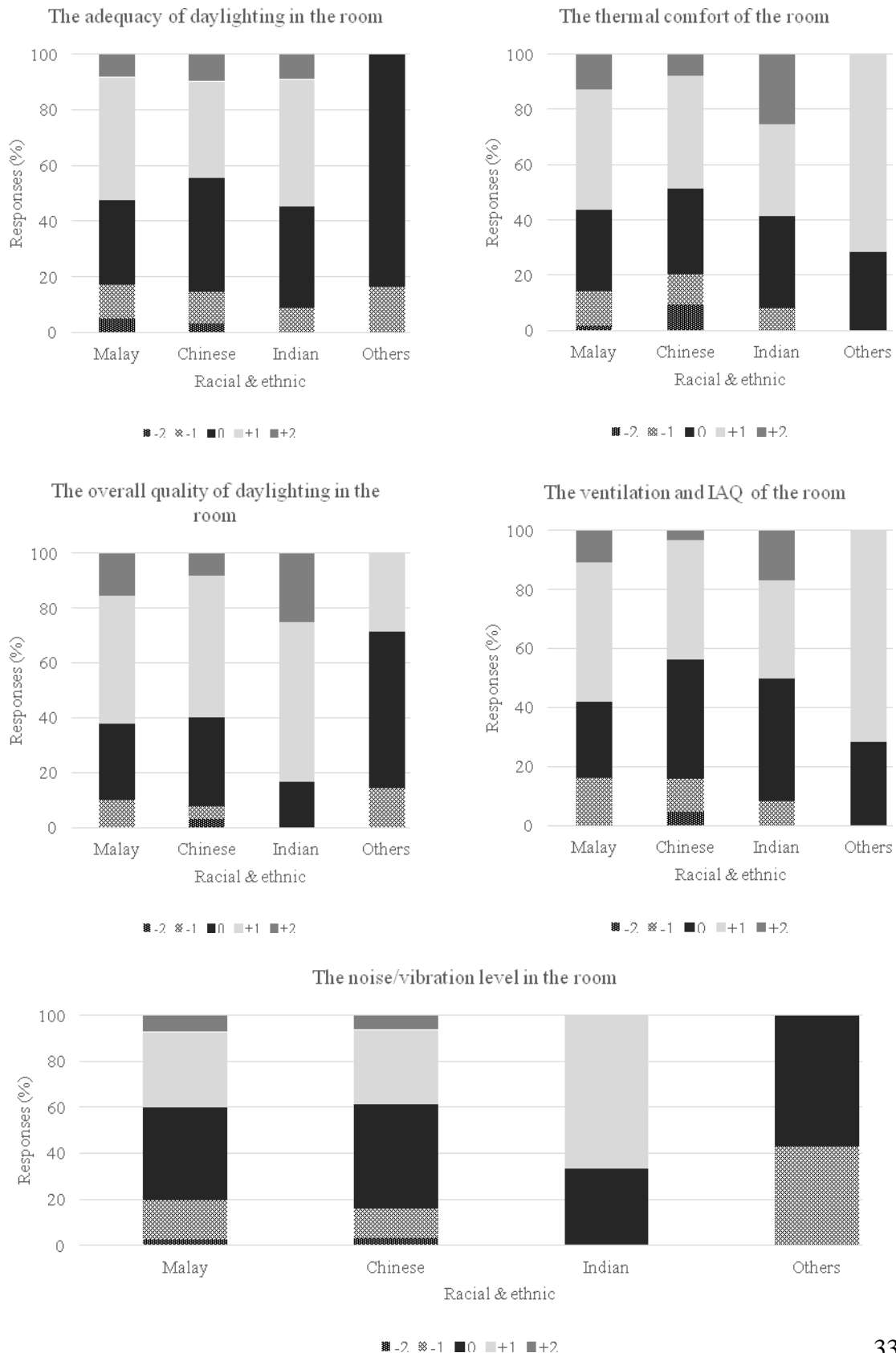


Figure 2: The result of satisfaction and perception survey on visual comfort, thermal comfort & IAQ and acoustic comfort according to the race and ethnicity

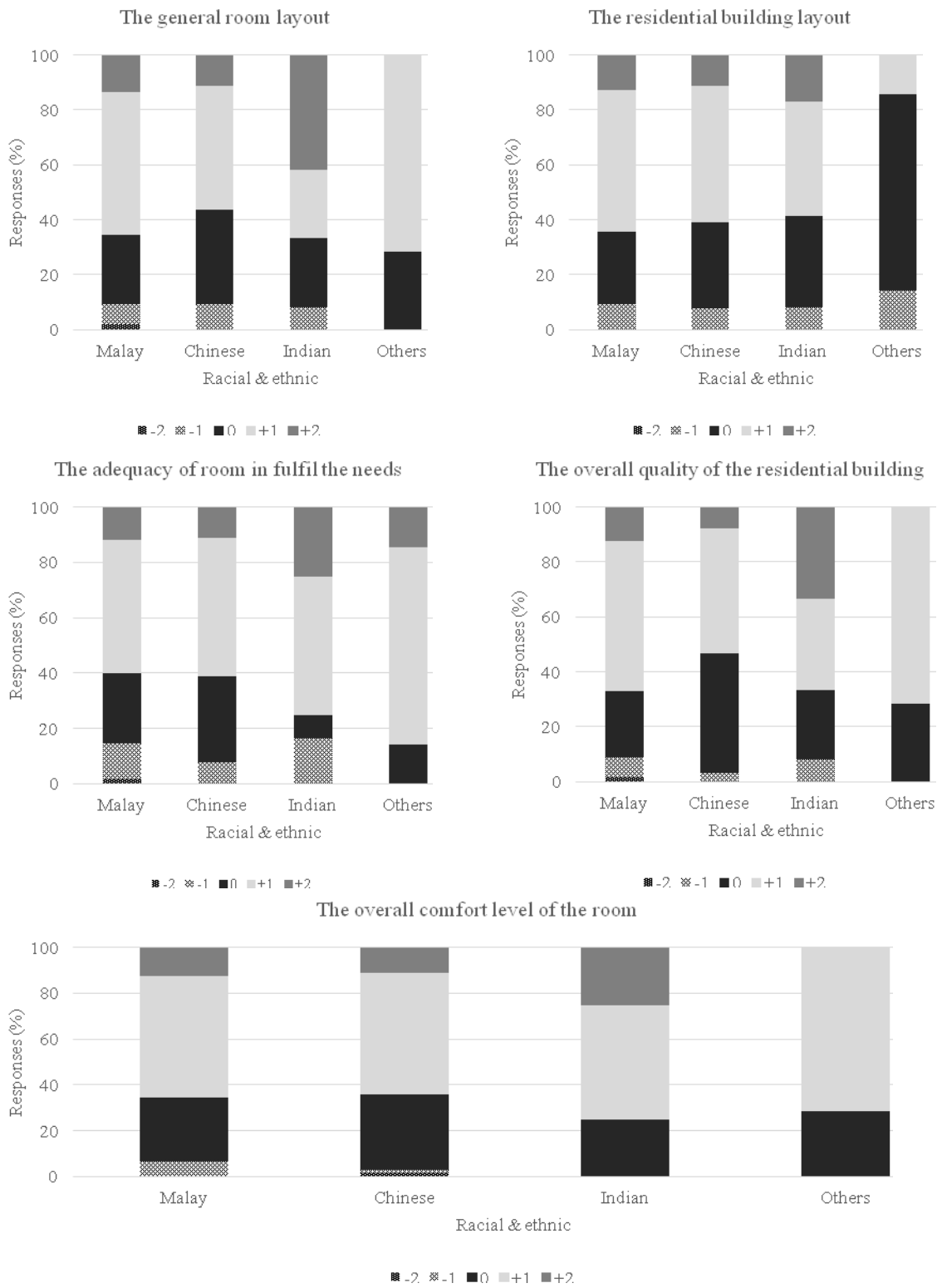
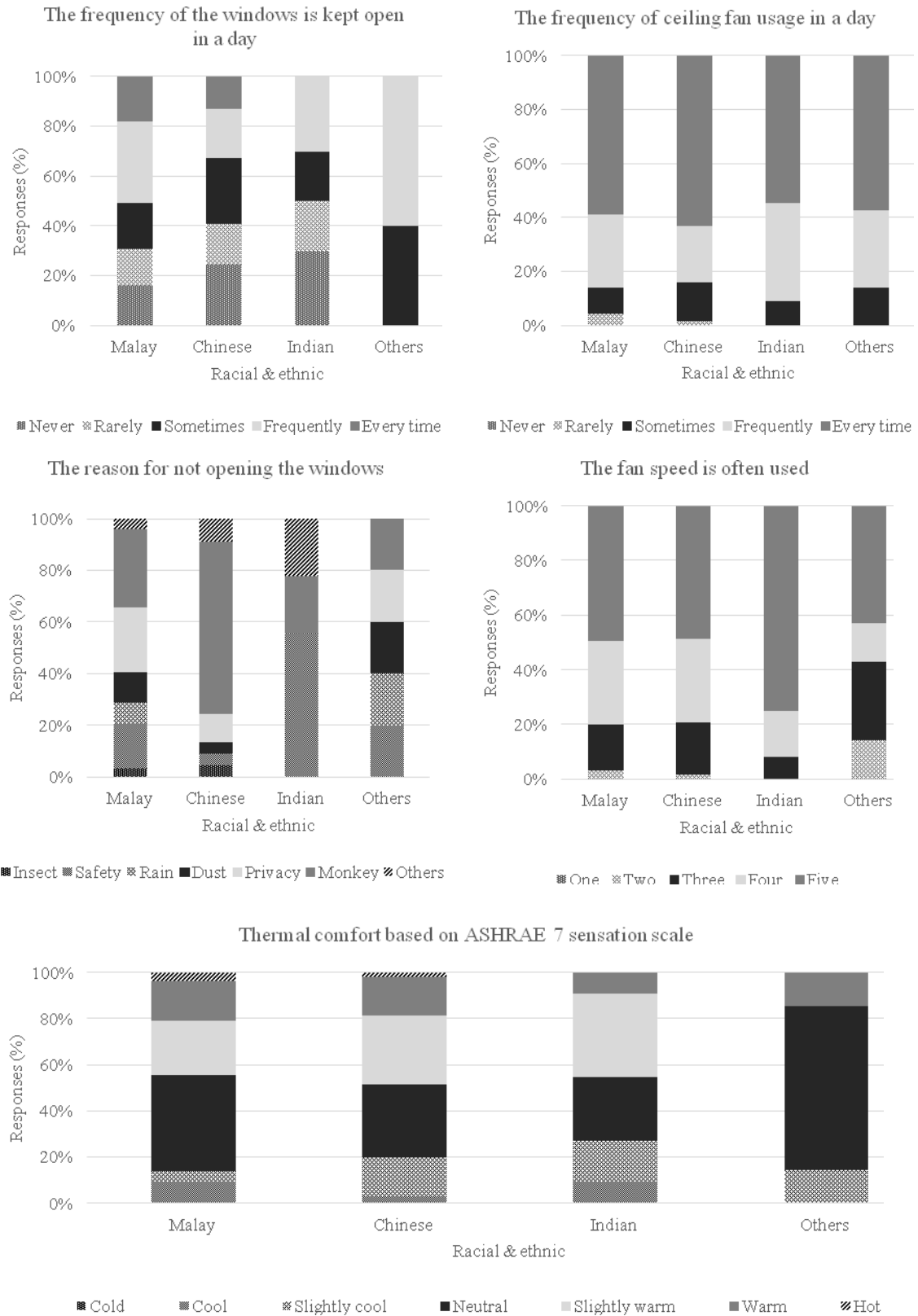


Figure 3: The usage pattern of windows, ceiling fan and the thermal comfort based on ASHRAE 7 sensation scale according to the racial and ethnic groups



For further research, it is necessary to have a greater number of respondents exceeding the minimum number of feedbacks with a 95% confidence level and $\pm 5\%$ margin of error to represent the overall population. The combination of subjective and objective evaluation would give a more comprehensive result for the investigated issues.

5. Acknowledgement

The authors would like to thank Dayasari Residential Colleges at the University of Malaya campus for their permission to carry out the survey. This analysis was financially supported by the Institut Pengurusan dan Pemantauan Penyelidikan (IPPP), University of Malaya under BKP Grant (BK010-2015).

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