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Research paper



Enhancing Integrity to Strengthen Organizational Performance of Local Authorities in Malaysia

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Abstract

The main theme of this paper encompasses on the operationalization of the notion of integrity focusing on the performance of local authorities (LAs) in Malaysia. Specifically, the study applies the Community Integrity Building (CIB) concept which highlighted on the significant contribution of tripartite parties in gearing for better organizational performance namely community monitors, contractors and LAs. Furthermore, CIB creates an enhanced feedback loop of continuous improvement and vigilance, creating better community over time. The study also pioneered on measuring of fix rate methodology and integrity approach objectively; thus bridging the gap between conceptualization and operationalization spectrum. Finally, the paper concludes by enlightening and giving some insights on the potentials of CIB approach and changing the typical art of doing things in public service especially with regards to integrity agenda vis-'a-vis building stronger local community.

Keywords: *Integrity; Local Authorities; Government; Public Sector*

1. Introduction

Though the issue of integrity in delivery service is not new in public domain, it's emergent can be traced back to the notion of the New Public Management (NPM). In line with this, the NPM had set new patterns and reform at local level according to Bovaird and Loffer (1) and impacted local authorities in German, USA and New Zealand (2). Bovaird (2) postulated that the most recent innovation trend includes public involvement and consultation, user involvement *vis- 'a-vis* citizen engagement in the affairs of LAs. Similarly, in the Malaysian context literature highlighted on the important of good governance particularly in improving delivery system as well as inculcating good values (3).

In the context of the study, we look at the local authority due to two reasons notably; Firstly- it is the third tier of the government and involves extensively in delivering services to the public under the Local Government Act 1976 (Act of 171), the Town and Country Planning Act (1976) and the Street, Drainage and Building Act (1974) in Peninsular Malaysia. On the other hand, local authorities in Sabah and Sarawak are subjected to the Local Ordinance No 11 and Local Authority Bill (Amendment) 1977; Secondly-it has been perceived of having poor performance and contributed to low ranking on the corruption index. Thus, Hazman (4) mentioned that LAs are the scapegoat of inefficient, unresponsive and not citizen-friendly government agency. It is observed that most literatures highlighted the service quality from the customer perspective but not many scholars talked about service quality by focusing on the integrity element (5). They argued that service integrity is not a one-way street but rather represent mutual commitment with regards to honesty and fairness in dealings with both parties This idea is concurred by Thompson (1992) who reinforced that ethics issue is more vital than any other topic. In this study we used the word integrity, ethics and good governance interchangeably. The objective of this paper is to explore and investigate on the integrity level and its relationship towards performance of local authorities by asking the following questions;

RQ1: What is the extent of integrity level in the LAs in Malaysia?
RQ2:What is the relationship between integrity and the performance of LAs?

The paper contributes in at least three ways, notably:

(1) Although the notion of integrity is nothing new but measuring it will have some meaning due to the fact that no study has been undertaken in LAs focusing this area. Furthermore, this is an exploratory study, thus it is interesting to further understand and link it with LAs.

(2) Managers in LAs are only fascinated in delivering outcome for achieving organizational performance rather than discussing on what integrity has to do to influence the performance of the organization. Though there are various school of thought in exploring on integrity but putting it at the limelight of discussion especially in the context of organizational performance is a worth effort and something beneficial with the hope of translating a conceptual thing to a more action oriented that will be very much appreciated by managers in LAs.

(3) Community engagement plays a significant role in improving LAs performance. The paper will discuss vividly on how community can influence LAs and address complaints/ suggestions within the community to improve negative perception on LAs delivery service.

2. Integrity in the General Literature

Previous studies on integrity are multi-dimensional and appear no consensus meaning of the former (6). In the general literature, integrity derives from the Latin word, term as *interger* which means wholeness and completeness. It is observed that integrity usually referred to the quality of being honest and having strong principles as described by the Oxford English Dictionary. Fur-

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thermore, Palanski & Yammarino (7) link the word integrity with honesty, empathy, respect, trustworthiness, word/action consistency and morality. Similarly, Koehn (8) illustrated integrity as the precondition for being human. In addition to that scholar like De George (9) viewed from the perspective of having high moral and ethical standards while others such as Jensen (10) mentioned integrity as an ethical and moral term that linked it with the law of gravity. On top of that, Breaky et al. (11) associated integrity with personal and institutional level, thus mooted the notion of Comprehensive Integrity Framework Service integrity.

2.1. Service Integrity

Though most literatures discussed on the notion of integrity quite extensively but not much has been the same on the aspect of service integrity. In relation to this, Scheuing and Edvarsson (5) defined service integrity as ethical behavior in service process. They viewed that the tenet of service integrity is observance to ethical values in all aspects of the service process as well as not taking advantage of the other groups, recklessness, ignorance and generosity. Thus, service integrity promotes trust, loyalty, sense of worth, commitment, pride and drives quality of any business entity. It is also observed that the notion of service integrity come into picture as a respond of financial waste, conflict of interest, corruption whether in public or private entity (12). On top of that, scholars like Ferlie, et al. (13) highlighted that the traditional mechanism used to safeguard the accountability of public services have been eroded resulted from organizational restructuring. This notion is supported by Joshi (14) who suggested that the failures of traditional accountability instruments and place better confidence in demand-led accountability initiatives from bottom up. Similarly, this scenario also had been discussed quite comprehensively by (15) in term of organizational culture which significantly affected service integrity and vice versa.

2.2. Service Delivery and Community

It is essential to note that service delivery plays a significant role towards a better quality of life for a community. The important of service delivery is further reinforced by the tagline of *people first, performance now* by the Malaysian Government which seeks to improve public service delivery for the betterment of the society. In line with this, Chapman (16) viewed that it is necessary to have a universal acceptable code of conduct which entails of seven principles remarkably; selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Similarly, Raga and Taylor (17) postulated on the normative criteria for effective and efficient service delivery which comprises of values, attitudes and aptitudes. On the topic of service delivery and community, Bovaird and Loffler (1) proposed that it is imperative to acknowledge a strong international wave towards the local service delivery in particular local government reform. Within this scope, they stressed that local government transformations need to go beyond the enhancement of local service delivery and call for some benchmarking effort to what is known as 'good local governance'. Nevertheless, it is crucial to notice that despite the transformation effort undertaken by local government, local communities encountered several challenges remarkably (1)political pressure from unsettle issues such as vandalism, crime, poverty (2)the use information and communication technology especially in dealing with local problems (3)enormous pressure from the media due to the fact that local stakeholders develop more sophisticated publications and portals (4)tremendous globalization trend that expose local authorities to a volatile economy (5)the emergent of a differentiated civil society that not only has higher expectation but also demanding for more engagement on local 'quality of life' issues. As the consequences, this indicated for LAs to take several considerations such as (1) the need for more collaboration with other agencies in policy formulation and execution especially with private entity, voluntary sector and top levels of government (2) a stronger commitment with all partners in relation to local strategy, planning and service delivery (3)more exhaustive and broadly spread knowledge management specifically in the linkages of stakeholders within the community area (4)sustainability, in considering the needs of future generations.

2.3. Community Integrity Building (CIB)

One of the approaches in engaging community to promote integrity is known as Community Integrity Building (CIB) introduced by Integrity Action (2014), NGO which is based in London. In general, the CIB approach is a cost effective way to improve the quality of public programs, development projects and services; thus improving the lives of community. Moreover, local community will be part of monitoring committees that assist to improve the existing projects for the betterment of quality of lives. In implementing this approach, there are five phases involved such as (i) context sensitivity (ii)joint learning (iii)evidence base (iv)constructive engagement (v)closing the loop. In addition to that, every single phase comprises number of steps to follow and tools to use. For example, context sensitivity encompasses context and stakeholder analysis, community engagement and establishing a baseline; joint learning comprises of identifying community monitors, training community monitors, joint working groups and selecting development projects to monitor; evidence base covers data collection, analysis and verification; constructive engagement includes sharing findings and identifying solutions and advocating for change and improvement; closing the loop incorporates fixing problems and advocacy and learning and impact assessment. Another salient feature of this approach is the fix rate methodology which measures the percentage of identified problems that are resolved. The methodology deals with transparency and accountability issues that are overcome and meet to the satisfaction of key stakeholders. However, the fix rate is not a simple ordinal scale where 80% is always better than 73%. It has to be determined with regards to the value of the projects that are monitored by the community.

2.4. Organizational Performance in The Public Sector

Generally, in public sector the organizational performance aspect is associated with the non-financial element unlike the private sector which measured performance through financial elements (profit margin, return on investment, market share and others). In the public sector the objectives are vague, involves various stakeholders and deal with accountability issue (18). In this context, Lentz (1981) looked at a more comprehensive notion of organizational performance from multidisciplinary perspective notably (i)environment-performance linkage, (ii) environment and organization structure, (iii) structure of an organization as principal determinant of performance, (iv) strategy, organization structure and performance, (v) environment, strategy and performance (vi) administration and performance. Besides that, other dimension such as transformational leadership and product innovation performance (19) and intellectual capital-knowledge management (20) also had been discussed with regard to organizational performance. Nevertheless, effectiveness and efficiency remain as the focal point of all organizational theories (21). In portraying this, Cooper, et al. (22) defined effectiveness as ability to state goals/ability to achieve goals and efficiency as benefits realized/resources utilized.

2.5. Proposition Development

Since the study is an exploratory in nature we suggest some proposition statement are made based on literature and some observations in three types of LAs namely City Council, Municipality and District Council. The purpose of doing this is as a researcher we try to understand the reality and bring it into the context of academia to benefit both academician and professional in this arena. Therefore, we proposed;

Proposition 1; Integrity level has influence to the performance of LAs
Proposition 2; Integrity level can be measured to benefit the organization

3. Research Methodology

3.1. Participants and Procedure

This study employed 2 types of methodology that includes (a) pre-test and post-test (b) fix rate approach. First and foremost, we engaged the three types of LAs to pilot this project namely Melaka City Council, Subang Jaya Municipal Council and Hulu Terengganu District Council. Within these three LAs we consulted them to nominate and proposed the local community that can participated the CIB project for the period of six months. On top of that, we went through the 5 phases of CIB such as (i) context sensitivity (ii) joint learning (iii)evidence base (iv)constructive engagement and (v)closing the loop. Several discussions and visits were held and conducted to get the buy-in and the local community involvement. During this study the participants from each LAs were appointed as Monitoring Committee and were actively participated in this project. We include contractors who are responsible for garbage collection, drainage and grass clearance in the scope of this study due to the sensitivity and priority from the community perspective. Every LAs selected one zone for the CIB project to be implemented which includes Paya Rumput in Melaka, Zone 3 Subang Jaya and Zone A, Ajil, Terengganu. The beneficiaries of the projects are 71,000 people living at the vicinity of those LAs (19,000 residents from Melaka City Hall, 40,000 residents from Subang Jaya Municipal Council and 12,000 residents from Hulu Terengganu District Council).

We employ Integrity Action's approach to measure organization integrity using the four elements of Integrity comprises of (i) accountability (ii) competency (iii) ethical behaviour, and (iv)corruption. In addition to that, those elements should be aligned towards the end of greater integrity and are equal in term of importance and value; hence if one of them is missing, then integrity cannot exist. The detail of those elements entails of;

*Accountability***:** Willingness to be open and transparent so that stakeholders can check and monitor whether organization is doing what it is supposes to do. On the contrary, if an organization is not prepared to be open and accountable then it cannot claim to act with a high degree of integrity.

*Competence***:** Having the skills and capabilities needed to achieve personal or organizational goals. This includes a balanced mix of managerial and technical skills and attributes. On the other hand, if a person or an organization displays ethical quality, accountable to its stakeholders, has an absence of corruption, but demonstrates incompetence then it cannot claim to have a high level of integrity.

Ethical behaviour: Behaving in accordance with a set of principles that are established to guide policy making and behaviour- an awareness of what is morally, legally, obligatory, permissible and so forth However, if a person or an organization exhibits accountability, competency, zero tolerance to corruption but at the same time does not illustrate ethical behaviour thus it cannot be call of possessing a high level of integrity.

Corruption Control: Having zero tolerance for corruption and safeguarding that an organization framework of systems is sufficient to curb the risk of corruption. If a person has high values with regard to accountability, competency and ethics, but receives corruption, then we cannot say that he has a high benchmark of integrity.

Alignment: Having consistency between what an organization intend to do and what it really does; hence illustrating the consistency and unity of purpose between the application of the elements of integrity behaviour and the way that it acts.

(a)Pre-test and post-test approach

We conducted the pre-test and post- test approach. The purpose of this is to investigate change in the perception with regards to the committee monitoring, local community and the respective contractor that provide the service of garbage collection, drainage and grass clearance. The questionnaire item was developed based on literature and discussion from the community and consulting an expert in the field. We employ on the Likert Scale of (5) where '1-Highly Disagree', '2-Disagree', '3-Not sure', '4-Agree', '5-Highly Agree'. The total number of feedback received from respondents is 239. The details of the respondents' demographic profile are illustrated by Table 1.

Table1: The Respondents' Demographic Profile

No.	Name of LA	Monitoring Committee	Community	Contractor
1.	Melaka City Council l	12	54	10
2.	Subang Jaya Municipal Council	21	62	13
3.	Hulu Terengganu District Council	12	38	17
	Total	**45**	**154**	**40**

Note: Measurement of Organizational Integrity & Reliability Within the Pre- and Post- CIB Program Implementation

This section explains how integrity is measured before and after the implementation of the CIB project to detect the existence of changes as a result of project implementation. Basically, integrity is "measured" by measuring the "achievements" of the elements, accountability (A), competency (K), ethics (E), corruption (C) and transparency (R).

The basic measurement for the dimensions A,K,E,C,R is the mean score for questions in the instrument for measuring the dimensions. For example in measuring perceptions during the pre-implementation of a CIB project among the community responses to questions such as 'Prior to CIB, there was no opportunity for public engagement to actively determine the effectiveness of LA', 'Prior to CIB, there was no opportunity for public engagement to actively determine the effectiveness of LA contractor services, 'Prior to CIB, I was less confident with the effectiveness of LA and contractor services', 'Prior to CIB, I was dissatisfied with the effectiveness of the contractor in providing services', 'Prior to CIB, the existing complaint system was not very effective in resolving complaints made', 'Prior to CIB, I did not know the actual performance of the contractors appointed by LA' were used. In this example measurement for K is the mean value of the responses to these questions. The value of K obtained was

$$K = \frac{1}{6}(2.26 + 2.33 + 2.07 + 2.07 + 2.04 + 1.93) = 2.12$$

Similar computations were carried out for the other dimensions.

To measure organizational integrity, the following definition was used:

$$I_0 = f(A,K,E,C) = \nu_1(w_1.A + w_2..K + w_3.E) - \nu_2.C$$
$$= 0.5(0.4A + 0.4.K + 0.2E) - 0.5C = 0.2A + 0.2K + 0.1E - 0.5C$$

where $\nu_1, \nu_2, w_1, w_2, w_3$ are weights which reflect the importance of the respective dimension and to enable the adoption of a range of the measurement between -2 and 2 for I_0. However a more easily-interpreted range for integrity is between 0 to 100. To achive it the following transformation was done:

$$I = 25(I_0 + 2) = 25(2 + 0.2A + 0.2K + 0.1E - 0.5C)$$

Usage of the formula for integrity I yields

$$I = 25(2 + 0.2A + 0.2K + 0.1E - 0.5C) =$$
$$25(2 + 0.2(2.04) + 0.2(2.12) + 0.1(2.00) - 0.5(3.85)) = 27.62$$

This give an indication that before the CIB program the level of organizational integrity as perceived by the community was 27.62 on the scale of 0 (low organizational integrity) to 100 (high organizational integrity). Similar computations using a post-CIB survey yielded $I = 49.05$ which gave an indication that there has been an improvement in organizational integrity after CIB. This is the

case for community perceptions on pre and post CIB in Melaka City Council.

The summary result of the integrity level based on the three LAs is illustrated as follow;

(1) Melaka City Council

Community Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	25.93	Accountability	75.12
Competency	27.93	Competency	60.39
Ethics	25.00	Ethics	73.61
Corruption	71.30	Corruption	70.83
INTEGRITY	27.62	INTEGRITY	49.05

Monitoring Committee Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	7.58	Accountability	80.56
Competency	9.09	Competency	81.20
Ethics	4.55	Ethics	84.38
Corruption	90.91	Corruption	17.71
INTEGRITY	8.33	INTEGRITY	81.93

Contractor Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	56.25	Accountability	57.50
Competency	57.08	Competency	59.38
Ethics	52.50	Ethics	56.25
Corruption	43.75	Corruption	43.75
INTEGRITY	56.04	INTEGRITY	57.13

(2) Subang Jaya Municipal Council

Community Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	37.80	Accountability	73.72
Competency	38.04	Competency	59.80
Ethics	33.70	Ethics	73.52
Corruption	62.50	Corruption	69.07
INTEGRITY	37.29	INTEGRITY	49.52

Monitoring Committee Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	27.78	Accountability	85.17
Competency	30.9	Competency	82.24
Ethics	33.33	Ethics	69.44
Corruption	77.08	Corruption	24.31
INTEGRITY	26.53	INTEGRITY	78.27

Contractor Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	41.35	Accountability	67.31
Competency	33.97	Competency	67.79
Ethics	28.85	Ethics	67.31
Corruption	50.96	Corruption	65.38
INTEGRITY	42.47	INTEGRITY	51.06

(3) Hulu Terengganu District Council

Community Perception (Scale:0-100)			
Before CIB	Score	After CIB	Score
Accountability	33.05	Accountability	71.38
Competency	33.05	Competency	59.30
Ethics	36.21	Ethics	71.71
Corruption	64.66	Corruption	72.37
INTEGRITY	34.51	INTEGRITY	47.12

Monitoring Committee Perception(Scale:1-100)			
Before CIB	Score	After CIB	Score
Accountability	35.00	Accountability	73.96
Competency	34.58	Competency	77.85
Ethics	30.00	Ethics	79.17
Corruption	30.00	Corruption	19.79
INTEGRITY	51.92	INTEGRITY	78.38

Contractor Perception (Scale:1-100)			
Before CIB	Score	After CIB	Score
Accountability	46.32	Accountability	73.53
Competency	45.10	Competency	73.35
Ethics	42.65	Ethics	69.85
Corruption	48.53	Corruption	30.15
INTEGRITY	48.28	INTEGRITY	71.29

(b)Fixed rate approach

The study utilized fixed rate approach which we think is very practical and easy to understand. In this aspect, we adopt and adapt the approach by the Integrity Action and made some adjustment to suit the need of local context. Several discussion and meeting were held among the monitoring committees and LAs. On top of that, the Malaysian Institute of Integrity (INTEGRITI) also provide some consultation and technical assistance. The monitoring committee worked on the Service Level Agreement (SLA) and targeted that any complaint should be resolved within 24 hours. Furthermore, within the period of 6 months the monitoring committee collected all the data of complaint resolved and build on the fix rate data base for the 3 pilot projects. In this case, if complaint is resolved within the period of 24 hours it gets green; if it settled more than 24 hours but less than 48 it becomes yellow. On the other hand, if the problem is not overcome by the period of more than 48 hours it will be considered as red and will be bring into the next month. Moreover, to ease the communication and encourage active participation, *whatsapp group* is used between the committee monitor, local community, contractor and LA staff. It is imperative to note that based on the fix rate result, all LAs illustrated positive change that enhance integrity in the respective communities; 82,13% in Malacca City Council, 100% in Subang Jaya Municipal Council and 83.33% in Hulu Terengganu District Council. The detail of fix rate result according to the LAs is depicted in Table 2,3 and 4:

Table 2: Fix Rate Data (Melaka City Council)

Month	Number of Complaint	Resolved	Resolved Within SLA	Resolved More Than SLA	Unresolved
First	127	97	35	62	30
		(76.38%)	(27.56%)	(48.82%)	(23.62%)
Second	43	39	20	19	4
		(90.7%)	(46.51%)	(44.19%)	(9.3%)
Third	39	27	16	11	12
		(69.23%)	(41.03%)	(28.11%)	(36.77%)
Fourth	107	96	41	55	11
		(89.72%)	(38.32%)	(51.4%)	(10.28%)
Fifth	49	40	20	20	9
		(81.63%)	(40.82%)	(40.82%)	(18.37%)
Sixth	10	9	8	1	1
		(90%)	(80%)	(10%)	(10%)
Total	376	308	140	168	67
		(82.13%)	(37.33%)	(44.8%)	(17.87%)

Table 3: Fix Rate Data (Subang Jaya Municipal Council)

Month	Number of Complaint	Resolved	Resolved Within SLA	Resolved More Than SLA	Unresolved
First	50	50	50	0	0
		(100%)	(100%)		
Second	25	25	25	0	0
		(100%)	(100%)		
Third	47	47	41	6	0
		(100%)	(87.23%)	(12.77%)	
Fourth	15	15	15	0	0
		(100%)	(100%)		
Fifth	11	11	9	2	0
		(100%)	(81.82%)	(18.18%)	
Sixth	31	31	19	12	0
		(100%)	(61.29%)	(38.71%)	
Total	179	179	159	20	0
		(100%)	(88.83%)	(20.44%)	

Table4: Fix Rate Data (Hulu Terengganu District Council)

Month	Number of Complaint	Resolved	Resolved Within SLA	Resolved More Than SLA	Unresolved
First	19	19	9	10	0
		(100%)	(47.37%)	(52.63%)	
Second	3	2	2	0	1

		(66.67%)	(66.67%)		(33.33%)
Third	22	21	20	1	1
		(95.45%)	(90.91%)	(4.55%)	(4.55%)
Fourth	3	2	1	1	1
		(66.67%)	(33.33%)	(33.33%)	(33.33%)
Fifth	5	3	3	0	2
		(60%)	(60%)		(40%)
Sixth	8	3	2	1	5
		(37.5%)	(25%)	(12.5%)	(62.5%)
Total	60	50	37	13	10
		(83.33%)	(37.5%)	(21.67%)	(16.67%)

4. Discussions And Conclusion

The study reported the relationship between integrity and performance of LAs specifically in the aspect of garbage collection, drainage and grass clearance. In this line, the service delivery is essential due to the fact that the community involved is sensitive towards the cleanliness and environment of their surroundings. In this context integrity become pivotal because it has direct influence towards the service delivery and performance of LAs. The participation of monitoring committee, local community and contractors reflected on the important of LAs to engage multiple stakeholder thus, enhancing integrity and bring about positive image of LAs. Similarly, LAs need to consider integrity agenda in its core business in order to drive for change and cultural transformation from the outside-in and inside-out perspective that aimed at inculcating integrity in the society. Though the research is an exploratory one but it has some significant contribution remarkably; (i) the notion of integrity can be measured by reality and perception as illustrated by the three samples of LAs. One may argue that it is premature to conclude this, but it has certainly warrant future study to consider this matter (ii) it operationalize and applies the notion of integrity from something that is abstract into reality and 'hands on' that gives meaning from the eyes of professionals and academia. To some extent, this may be true because LAs are more concerned with an action-oriented services and doing the trouble shooting which had been the underpinning culture (iii) The art and ways of doing things in LAs need to be introspected because the engaged community plays more impact and influence in providing the conducive and responsive eco system towards nurturing integrity and promoting governance as well. Finally, we are in the opinion that our propositions are worth to be further examined. At a glance, with regard to Proposition 1, we are incline to mention that integrity is positively related to the performance of LAs but what stop us in doing so is the complexity and multi-dimension elements in conceptualizing the personal and institutional integrity which had been highlighted (11). However, we are optimistic with the Proposition 2. In this ambit we look at integrity as one of the product/service differentiation strategy where LAs can spearhead and instill good values in the community that will definitely supported the National Integrity Plan (NIP) in the long run.

5. Limitations

The results of this paper have at least two limitations. First, the sample size of 3 LAs confines the generalization of the results to be extended to other public entity such as Ministries, State Secretaries and Government Linked Companies which has different nature of core business and work complexity. If we are to make generalization, the different in term of structures, policies and probably some cultural dimensions need to be taken into account. Second, a limitation is initiated from the study due to the fact it only represents a snapshot view that may be appropriate at one point of time and thus subject to the continuity of the pilot project. Perhaps this study enlightens us to become more responsive to put the integrity agenda in the mainstream of thinking both in an individual and organization levels.

6. Implications

In short, the pinnacle of this study linked the conceptual and practice aspect where the subject on integrity is discussed and operationalized in the context of LAs. At this juncture we look at the elements such as accountability, competency, ethics, transparency, corruption to conceptualize the notion of integrity in this research. The result could assist practitioners and professionals for organizational planning and some decision making especially in evaluating on performance of contractors and responsiveness of local community. On top of that, for managers in the LAs, highlighting integrity agenda in their daily work will permit them to enhance the service delivery for better organizational performance. Moreover, for researchers the study reveals and gives some insights on how integrity can be measured and influenced organizational performance.

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Paper presented at 1st International Conference on Social Transformation and Regional Development (ICOSTRD) 2017, Makasar, Indonesia,18 – 19 October 2017. Ahmad Fadzli Ahmad Tajuddin obtained his Doctorate of Business Administration (DBA) at the Universiti Sains Malaysia in 2007. He then joined the Malaysian Civil Service in 1996 where he was posted to various agencies at federal and state levels. His working experience is in planning, development, land, poverty eradication and integrity. His interest is in strategic management, organizational behavior and leadership. Currently, he works as the Deputy Chief Executive of the Malaysian Institute of Integrity (INTEGRITI). He is the corresponding author and can be contacted at:afadzli@integriti.my Anis Yusal Yusoff is President & CEO of The Malaysian Institute of Integrity (INTEGRITI). He was formerly Principal Fellow at the Institute of Ethnic Studies (KITA) of UKM. He also served over 10 years at the United Nations Development Programme (UNDP) and at the United Nations Volunteers (UNV) Headquarters in Bonn, Germany. He holds a PhD from the National University of Malaysia. His research and writings have been published as chapters in books, as articles in a number of journals and newspapers. He is also regularly invited by the national media as an analyst of Malaysian socio-politics to discuss areas related to corruption, money politics and ethnic relations. Mohd Rezaidi Mohd Ishak is a Deputy Director for Monitoring and Evaluation Programme at Centre for Coordinating, Monitoring & Evaluation, Malaysian Institute of Integrity (INTEGRITI). He is responsible for research and as well as coordinating and Monitoring the National Dashboard for National Integrity. He has more than 28 years of experience in Public Sectors, Finance and Civil Society in Malaysia besides monitoring, coordination and evaluating of the National Integrity Plan and a consultancy, learning intervention and direct engagement. He also helped edited 6 publications during his posting with Private Sectors in INTEGRITI. He is currently the Deputy President Association Certified Integrity Officer Malaysia and he earned a Master of Business Administration from Universiti Utara Malaysia. He played a lead role as project leader in Community Integrity Building pilot project. Special thanks to Professor Mohamad Said Zainol, in helping us to develop the CIB calculation. We would like to record our appreciation to Bahagian Integriti dan Tadbir Urus, Prime Minister Office in providing us the allocation to fund this project.

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