

RELIGIOSITY AND MORAL JUDGEMENT: AN EMPIRICAL INVESTIGATION AMONG MALAY MUSLIMS IN MALAYSIA

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Abstrak

Budaya selalu dinyatakan sebagai satu penentu penting di dalam membentuk personaliti dan kelakuan individu. Agama yang merupakan elemen penting budaya dianggap sebagai memainkan peranan penting dalam menentukan bagaimana individu akan bertindak dalam keadaan tertentu. Ramai pengarang menganggap Islam sebagai satu cara hidup dan bukanlah ritual semata-mata. Oleh itu, Islam telah disarankan dapat memberikan kesan yang signifikan ke atas kelakuan individu-individu Muslim, terutama bagi Muslim yang patuh kepada setiap keperluan undang-undang syariah di dalam segala aspek kehidupannya. Beberapa pengarang telah menyarankan agama sebagai dimensi penting didalam penyelidikan berkaitan dengan etika di Malaysia, terutamanya bagi orang-orang Melayu. Walau bagaimanapun, konstruk ini pada umumnya telah diabaikan atau telah diambil kira ke dalam konstruk yang lain. Kajian ini menganalisa sama ada tahap pegangan agama (religiosity) individu Muslim Melayu di Malaysia mempengaruhi tanggapan mereka ke atas beberapa amalan-amalan perniagaan tidak beretika yang diamalkan di Malaysia.

INTRODUCTION

The relationship between the cultural environment and ethical perceptions has been widely explored¹. Culture, through its components, elements and dimensions, is seen

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¹ See, e.g. Hunt, S. D. and Vitell, S. (1986), "A General Theory of Marketing Ethics, *Journal of Macromarketing*, 8, pp. 5-16; Choi, J. S., (2001), *Financial Crisis and Accounting Reform*:

to dictate the organizational structures, the micro-organizational behavior, and the cognitive functioning of individuals, in such a way as to ultimately affect the judgment or decision made².

This study investigates the influence of the Islamic religiosity on the perception of ethics and moral judgment among Malay Muslims in Malaysia. In particular, this study explores the relationships between the degree of religiosity among Malay Muslims as measured by the Muslim Attitudes towards Religiosity Scale (MARS) and their perceptions on various ethical and moral issues (as observed from an Islamic perspective). This study highlights the impact of Islamic religion on the behavior of Malay Muslims and further reinforces the findings from previous research on business ethical judgments in Malaysia³.

The paper is organized as follows. The first section discusses the impact of culture, religion, religiosity, the religion of Islam and the Islamic ethical philosophy. It further espouses attempts to measure religiosity as drawn from the literature. The second section sets out the research framework, followed by a discussion of the research design, data collection and analysis method in the third section. The fourth section discusses the findings, followed by the conclusion in the final section.

BACKGROUND

Culture, Religion and Religiosity

Macmillan English Dictionary definition of culture is “a set of beliefs, and ways of behaving of a particular organization or a group of people”⁴. Hofstede defines culture as the norms, values and beliefs of a particular group or community in a particular

A Cultural Perspective, Paper presented at the Third Asian Pacific Interdisciplinary Research in Accounting Conference in Adelaide, Australia, 15-17 July and Srnka, K. J., (2004), ‘Culture’s Role in Marketers’ Ethical Decision Making: An Integrated Theoretical Framework’, *Academy of Marketing Science Review*, No. 01, pp 1-26.

² *Ibid.*

³ See, e.g. Goodwin, J. and Goodwin, D., (1999), “Ethical Judgments Across Cultures: A Comparison Between Business Students from Malaysia and New Zealand”, *Journal of Business Ethics*, 18, pp. 267-28; Md. Zabid, A. R. and Ho, J. A., (2003), “Perceptions of Business Ethics in a Multicultural Community: The Case of Malaysia”, *Journal of Business Ethics*, 43, pp. 75-87.

⁴ *Macmillan English Dictionary for Advanced Learners* (2002). Macmillan Education, Oxford, International Students Edition.

area or geographic location, and shared by its members⁵. More importantly, values are viewed as the deepest level of culture and the most difficult to change, and in turn would affect social systems and institutions in a particular country. According to Blamey and Braithwaite⁶, value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode or end-state of existence. Therefore, values are the core set of beliefs and principles deemed to be desirable (by groups) of individuals⁷. Furthermore, values are considered to be general beliefs that define right or wrong⁸. Arguably, therefore, values could affect how individuals perceive the form of behavior considered appropriate and effective in any given situation.

Religion has been identified as one of the critical elements in the cultural environment⁹ since religion affects the way in which people behave¹⁰, and it is perceived that it may affect an individual's perception. Religion, it is claimed¹¹, would affect individual behavior directly through the rules and taboos it inspires and indirectly through classification of all phenomena, development of code of conduct, and establishment of priorities among these codes. More specifically, one of the basic elements¹² of the Islamic religion is *Akhlāq* (moral and values) providing a framework that shapes the moral and ethical behavior of Muslims in the conduct of all aspects of their life¹³. In

⁵ Hofstede G. (1980), *Culture consequences: International differences in work related Values*, Sage Publications.

⁶ Blamey, R. and Braithwaite, V., (1997), "A Social Value Segmentation of the Potential Ecotourism Market", *Journal of Sustainable Tourism*, 5 (1), pp. 29-45.

⁷ Mason, D. E., (1992), "Values for Ethical Choices: Rate Yourself", *Nonprofit World*, 10 (3), pp. 23-25.

⁸ See Md. Zabid, A. R. and Ho, J. A. (2003), *op.cit.*, pp.75-87.

⁹ See Hunt, S. D. and Vitel, S. in footnote 1; also see Sood, J. and Nasu, Y., (1995), "Religiosity and Nationality An Exploratory Study of their Effect on Consumer Behavior in Japan and the United States", *Journal of Business Research*, 34, pp 1-9.

¹⁰ Sadler, W., (1970), *Personality and Religion: The Role of Religion in Personality Development*, SCM Press Ltd.: London.

¹¹ See Sood, J. and Nasu, Y. (1995), *op.cit.*, pp. 1-9; see also Harrell, G. D., (1986), *Consumer Behavior*, Harcourt Brace: Javanovich.

¹² The others are *Tawheed* (Unity of God) and *Shariah* (Islamic law).

¹³ See, e.g. Abd. Halim I. (1990). *The Teaching of Islamic Economics: The Practitioner's Point of View*, Paper presented at the workshop on the Teaching of Islamic Economics, International Islamic University, Malaysia, 20-22 July, pp. 1-43; Saeed, M., Ahmed, Z. U. and Mukhtar, S. M. (2001). 'International Marketing Ethics from an Islamic Perspective: A Value-Maximization Approach', *Journal of Business Ethics*, 32 (2), pp 127-142.

addition, it is observed that the Holy *Quran*¹⁴ clearly provides Muslims with a stable and flawless set of values that remain unchanged under all circumstances, unlike other cultural factors that may be influenced by changes in the economic and political environment¹⁵.

Measures of Religiosity

Religiosity is a difficult construct to measure¹⁶ since there are several definitions of religiosity (religiosity and religiousness is used interchangeably in this paper). Caird (1987) proposes three different measures of religiosity: cognitive (focus on religious attitudes or beliefs), behavioral (evaluate church attendance or private prayer), and experiential (query as to mystical experiences)¹⁷. Mookherjee (1993) defines religiosity in terms of public or participatory (based on church membership and the frequency of church attendance) and private or devotional religious behavior (based on the frequency of prayer, bible reading, and a cumulative score of devotional intensity)¹⁸.

Furthermore, it is argued that religiousness, as an important value in the individual's cognitive structure, can influence an individual's behavior¹⁹. According to him the pro-religious individuals are likely to be more dogmatic and more conservative than are the non-religious subjects (terms used in this paper will be the devout and the casually religious). As such, it is expected that the more religious person (or the devout) would more likely to align their behavior in compliant with their religious belief and practices. It is further suggested that those who are strongly committed to religion are both attitudinally and behaviorally capable of making decisions consistent with moral

¹⁴ *al-Quran* is the main source of *Shariah*; others are *Sunnah* (exemplary conduct of the Prophet Muhammad *S.A.W.*) and the jurisprudence (in the form of *ijtihad*, *ijma'* and *qiyas* by the Muslim scholars).

¹⁵ Abdullah, T. and Siddique, S. (1986), *Islam and Society in Southeast Asia*, Institute of Southern Asian Studies: Singapore.

¹⁶ Scutte, J. W. and Hosch, H. M., (1996), "Optimism, Religiosity, and Neuroticism: A Cross-Cultural Study", *Personality and Individual Differences*, Vol. 20, Issue 2, November, pp. 239-244.

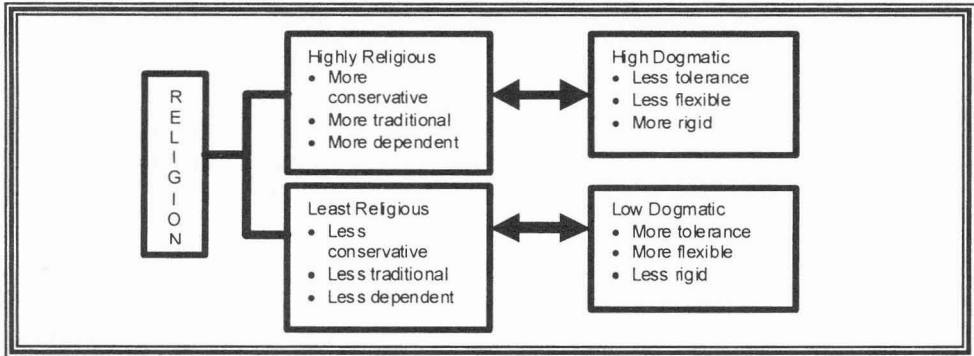
¹⁷ Caird, D. (1987), "Religiosity and Personality: Are Mystic Introverted, Neurotic, or Psychotic?", *British Journal of Social Psychology*, Vol. 26, pp. 345-346.

¹⁸ Mookherjee, H. N., (1993), "Effects of Religiosity and Selected Variables on the Perception of Well-Being", *The Journal of Social Psychology*, Vol. 134, Issue 3, pp. 403-405.

¹⁹ Delener, N., (1994), "Religious Contrasts in Consumer Decision Behavior Patterns: Their Dimensions and Marketing Implications", *European Journal of Marketing*, Vol. 28, No. 5, pp. 36-53.

conscience²⁰. A simple paradigm showing that the religious variable as a possible factor influencing the decision-makings process as hypothesized in the study is illustrated in Figure 1. With regard to this study, it is expected that the perception of the devout respondents would be in conformance with the ‘desirable’ as outline by the *Shariah*.

Figure 1: Religiosity and Decision-makings (Source: Delener, 1994)



In examining religiosity in the context of the Malay Muslims society, religiosity measures adapted from Wilde and Joseph and Khashan and Kreidie that are specific for the Muslims are considered appropriate²¹.

Islam: A *Shumul* Religion

Islam literally means commitment, submission, obedience and surrender²². It is derived from the word ‘*aslama*’ meaning “to resign oneself” or “to give oneself up to God” A Muslim is one who resigns himself to God and thereby professes the faith of Islam. The first basic principle of Islam is belief in the existence of Allah (*swt*) and the Prophet hood of Muhammad (*pbuh*). This belief is realized by the *kalimah* (sentence) of *shahādah*; *Lā ilāha illa Allāh, Muḥammadun Rasūl Allāh* “there is no God but

²⁰ See Delener, N. and Pargament, K.I., Kennell, J., Hathaway, W., Grevengoed, N., Newman, J. and Jones, W., (1988), “Religion and the Problem-solving Process: Three Styles of Coping”, *Journal for Scientific Study of Religion*, Vol. 27, pp. 90-104.

²¹ Wilde, A. and Joseph, S., (1997), “Religiosity and personality in a Moslem context,” *Personality and Individual Differences*, vol. 23, Issue 5, November, pp 899-900; Khashan, H. and Kreidie, L., (2001), “The Social and Economic Correlates of Islamic Religiosity,” *World Affairs*, Vol. 164, No. 2. Fall, pp. 83-96.

²² See Kharofa, A., (1992), *Islam the Practical Religion*, Malaysia: A. S. Noordeen; Ahmad, K., (1977), *Islam: Its Meaning and Message*. New Delhi: Ambika Publications.

Allah; Muhammad is His Prophet". The word Allah is the essential personal name of God. According to Ajjola the *shahadah* means that there is absolutely no being worthy to be worshipped other than Allah in this whole universe, that it is only Him that heads should bow in submission and adoration, that He is the only Being possessing all powers, that we are all in need of his favor and that we are all obliged to seek His help²³. The belief in the Oneness of God (*Tawḥīd*) is the key of Islamic faith as described in the Holy *Quran*: "*Say: He is Allah, the One and Only; Allah, the Eternal, Absolute; He begetteth not, nor is He begotten; And there is none like unto Him*"²⁴.

The first sentence of *shahadah*; *Lā ilāha illa Allāh* implies the concept of *Tawḥīd* (unity of God). *Tawḥīd* implies Allah (*swt*), the sole Creator of all beings, the owner of everything and the Absolute and the Ultimate as stated in the *Quran*²⁵ "*Say: To God belongs exclusively (the right to grant) intercession? To Him belongs the domination of the heavens and the earth: an in the end, unto Him you will all be brought back*". Each of the creation has its own function and responsibility on the Earth. The concept of *Tawḥīd* implies that man has to maintain relationship not only with God (*ḥablun min 'Allāh*), but also with human being (*ḥablun min 'al-nās*) and its environment.

The Islamic concept of religion is unique in the broadest sense of the word. Islam is not a religion in the common, confining its scope to the private life of man. It is indeed a complete way of life (or *al-dīn*)²⁶, and its values are universal (*shumūl*) in character, transgressing across geographical, racial and linguistic differences, catering for all the fields of human existence in all phase of life. The unique feature of Islam is that it integrates man with Allah, awakens in him a new moral consciousness and incites him to deal with all problems of life – individual and social, material and moral, economic and political, legal and cultural, national and international – in accord with his commitment to Allah. In fact, Islam totally espouse this concept of religion as explained in the Holy *Quran*, "*Seek what is good in the hereafter and to guard oneself from the eternal fire; not to forsake your portion of this world*"²⁷. Thus, the Islamic concept of religion maintains that religion is not only a spiritual and intellectual necessity but also social and universal needs which are bounded by the Islamic ethical values. The next

²³ Ajjola, A. D., (1984), *The Essence of Faith in Islam*. Saudi Arabia: Presidency of Islamic Research, IFTA and Propagation.

²⁴ *Quran*, (112:1-4).

²⁵ *Quran*, (39:44).

²⁶ See al-Attas, S. M. N., (1985), *Islam, Secularism and the Philosophy of the Future*. London: Mansell Publishing Limited.

²⁷ *Quran*, (28:77).

section presents a brief discussion on the Islamic ethical philosophy underlying the Islamic value system.

The Islamic Ethical Philosophy

The term 'ethics' is concerned with "right and wrong"²⁸. It is an individual's personal beliefs regarding what is right and wrong or good and bad. It is a normative field because it prescribes what one should do or abstain from doing²⁹. Ethics governs all aspects of a Muslim's life³⁰.

Islamic ethical philosophy has been explored from 6 main axioms, namely Unity (or *Tawhīd*), Equilibrium, Free will and Responsibility, *Khilāfah* or vicegerency and *al-'adl* or justice³¹.

Tawhīd or unity is the vertical dimension of Islam. *Tawhīd* means that there is only one supreme Lord of the universe. He is omnipotent, omnipresent and the sustainer of the world and of mankind. *Tawhīd* entails the unity of life on earth and in the hereafter, and the unconditional surrender by all to the will of God. It integrates the political, economics, social and religious aspects of an individual's life into a homogeneous whole, which is consistent from within the individual's himself as well as integrated with the whole Universe.

Khilāfah or vicegerency is a special duty of man on this earth³². *Khilāfah* defines man's status and role and specifies his responsibilities *Khilāfah* implies the universal unity and brotherhood of the mankind based on the Islamic faith which claims social equality and dignity of all human being.

²⁸ Stoner, J. A. F., Yetton, P. W., Craig, J. F. and Johnston, K. D. (1994), *Management* (2nd Ed.), Sudney: Prentice Hall Australia.

²⁹ Beekun, R. I., (1995), *Islamic Business Ethics*. Herndon, VA: International Institute of Islamic Thoughts.

³⁰ Jamal Uddin, S., (2003), "Understanding the Framework of Business in Islam in an Era of globalization: A Review", *Business Ethics: A European Review*, Vol. 12, Num. 1, pp. 23–30.

³¹ See Chapra, M.U., (1992), *Islam and the Economic Challenge*, The Islamic Foundation, Leceister, UK; Naqvi, S. N. H. (1981) *Ethics and Economics: An Islamic Synthesi*, The Islamic Foundation, UK; Syed Osman Alhabshi, (1993), "The Influence of Islam on Economics", Paper presented at the Seminar on The Role and Influence of Religion in Society, Kuala Lumpur, 13-16 September, 1993.

³² Quran (2:30; 6:165; 35:39; 38:28; and 57:7)

Equilibrium, on the other hand constitutes the horizontal dimension of Islam. *Al-Adl* (or justice) on the other hand is the rendering of trusts where it is due. Trusts in this case refer to all aspects of human life including economics, social and legal both at the individual as well as at the societal levels. In a situation where conflict arises between individual and societal interest, the later should prevail. Equilibrium is closely related with the concept of justice. The rendering of trusts where it is due is one of the criteria needed to achieve equilibrium.

Free Will is the freedom to choose either to become God-like by realizing his theomorphic character or to deny God. However, man's freedom is not absolute, only God is absolutely free. Responsibility is closely related to Free Will in a sense that it sets limits to what man is free to do by making him responsible for what he does as explicitly stated in the *Quran* "Every soul is a pledge for its own deeds". There are four categories of responsibility within the Islamic framework. These are responsibility towards God; responsibility towards society; responsibility towards himself; and responsibility towards environment³³.

The impact of Islamic religion on different aspects of business is quite substantial since ethics governs all aspects of Muslims' life. In summary, among the positive values applicable to form a basic framework of Islamic business ethics would be *iqtisād* (moderation), *al-'adl* (justice), *ihsān* (kindness par excellence), *amanah* (honesty), *infāq* (spending to meet social obligations), *sabr* (patience) and *istiqlāh* (public interest). Among others negative values that should be avoided by Muslim businessman are *zulm* (tyranny), *bukhl* (miserliness), *hirs* (greed), *ihtikār* (hoarding of wealth) and *isrāf* (extravagance). Business activities and pursuits within the positive parameters are *halāl* (allowed and praiseworthy) and within the negative parameters is *haram* (prohibited and blameworthy) and must be moderated. Production and distribution that are regulated by the *halāl-harām* code must adhere to the notion of *al-'adl* (justice). Collectively, these values and concepts, along with the main injunctions of the *Quran* provide a framework for a just business and commercial system.

Although, it is not easy to locate societies where the Islamic values, moral and ethical principles are truly implemented in every sphere of life, this does not nullify the Islamic model of business ethics³⁴. In addition, the recent development of Islamic resurgence throughout the Muslim world had witnessed a mounting religious commitment among

³³ Saeed, M., Ahmed, Z. U. and Mukhtar, S. M. (2001). 'International Marketing Ethics from an Islamic Perspective: A Value-Maximization Approach', *Journal of Business Ethics*, 32 (2), pp. 127-142.

³⁴ See Jamal Uddin, S. (2000), *op.cit.*, pp. 23-30.

the Muslim. This development had resulted in the increasing emphasis on the Islamic law or *shariah* as a main source of guidance in all aspects of life. At such, this study is an attempt to investigate empirically how the Islamic faith had influence ethical behavior in businesses conducts in a Muslim majority society.

Unethical Business Practices in Malaysia

Malaysia is a multiracial country, comprising three major ethnic groups namely the Malays, Chinese and Indians. It is regarded as a Muslim country since it has a predominantly large Muslim population. This section discusses briefly the different phases of the business environment and draws on the literature on unethical business practices in Malaysia.

Prior to independence from the British in 1957, the Malaysian business sector was largely monopolised by the Chinese and foreign business interests. The Malays survived as farmers in rural areas and the Indians were mainly confined to the rubber plantations. The bloody tragedy of May 13th, 1969 was a catalyst for Bumiputras' entrepreneurial development. The tragedy led to the establishment of the New Economic Policy (NEP: 1970-1990) aimed at narrowing the economic gap among the races and restructuring the involvement of different ethnic groups in various economic sectors. The NEP successfully produced established Malay businessmen such as Matshah Safuan of Safuan Holdings, Tan Sri Dato' Azman Hashim of Arab Malaysian Group, Tan Sri Dato' Haji Basir Ismail of Maybank Berhad and the like.

The nature of unethical business practices changes over time. In the 1960s, the investors and businessmen (mostly the Chinese) took advantage of the poor farmers and fishermen by practising monopoly-monopsony system. Such a system basically involves unethical business practices with respect to weighing and measuring. The unethical problems in business become more complex and sophisticated (generally involving the white-collar crime such as short selling of shares, mismanagement of assets, fraud and insider trading) in the 1980s and in some cases have resulted in serious crimes. The murder of Jalil Ibrahim, the chief auditor of Bumiputra Bank Berhad in Hong Kong in 1983 is an example of a crime related to business.

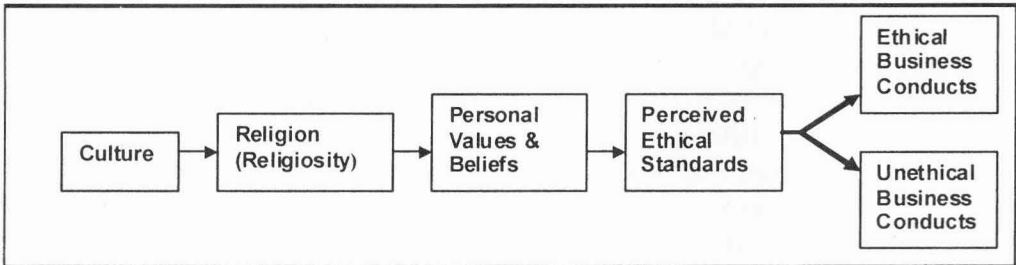
It is observed that Malaysians perceive the present business practices by the Malaysian businessmen as being tolerable even though several incidences of wrongdoings were reported in the media. The Muslim businessman is considered to be involved in unethical business practice the moment he is involved in businesses that are not allowable (*harām*)

in Islam such as dealing with liquor, gambling, financial activities involving *riba*. It is observed that many Malaysians are involved in these types of businesses³⁵.

THE RESEARCH FRAMEWORK

The framework for this study is shown in Figure 2, the model indicates that perceived ethical standards of an individual and resulting ethical behavioral conduct is grounded in the unique characteristics of a specific culture of a society. Particularly, this study focuses on religion (in this context the Islamic religion) as the main element of culture in shaping personal values and belief of members of a society. Specifically, the study investigates the impact of the level of religious commitment or religiosity as measured by the MARS score on the perception of selected ethical and moral issues among Malay Muslims.

Figure 2: Research Framework



Prior research suggests that the degree of religiosity is a possible influence on ethical judgments of individuals. However, it is difficult to build up on the findings of previous studies of the relationship between religion and ethical judgments in a Muslim society context, due to lack of research in this area. Works on religiosity has tended to focus almost exclusively on Christianity. For this reason the nature of the study is exploratory, and is aimed to investigate if there is a difference between the perceptions on unethical business practices of the devout and the casually religious Malay Muslims in Malaysia. Thus, the hypothesis examined is:

H1: *The perception of the devout Malay Muslims on unethical business practices is significantly different from the casually religious Malay Muslims.*

³⁵ Wan Sabri Wan Hussin, (2003), *Etika dan Amalan Perniagaan*. Kuala Lumpur: Utusan Publications.

RESEARCH DESIGN, DATA COLLECTION AND METHOD OF ANALYSIS

The perceptions on unethical behavior collated in the survey for this study are mainly related to the basic elements of business ethics such as involvement of the Malay Muslims businessmen in *haram* (prohibited) businesses, cheating, bribery and profiteering. If the respondents perceive these practices as tolerable then we can speculate that the personal values in the society are deteriorating.

The stated hypothesis will be tested using independent samples t-test by running the Statistical Package for Social Sciences (SPSS) software. For this purpose, the respondents were categorized into two groups: the devout and casually religious. Chi-square analysis will be carried out to study the relationship between religiosity and unethical business practices scores with selected demographic variables, such as gender, age and level of education. Regression analysis was also conducted to identify the correlation between the religiosity score and the perceptions on unethical business practices.

Research Design

The questionnaire for this study is divided into three parts. Section A is related to the personal background of respondents, Section B is related to the perceptions of Malay Muslims towards selected unethical business practices. Finally, Section C measures the religiosity score of the respondents. Questions on unethical business practices (section B) were presented in a 7-point Likert scale, while the religious questions (Section C) were presented in a 5-point Likert scale and the behavior question in a semantic differential scale. The samples were selected using a convenience sampling method. 200 sets of questionnaires were distributed to the Malays around Klang Valley by approaching them at their work places, at informal gatherings and also in the mosques. A total of 149 completed questionnaires were used for this study. Once gathered, the data were tested for normality and reliability. An examination of the values of kurtosis and skewness indicate that the items under investigation are reasonably normally distributed. The Cronbach alpha coefficient for the perceptions on unethical business practices and religiosity items are 0.7809 and 0.8984 respectively. Thus, these levels of reliability are sufficiently high. The data for religiosity items were also checked for consistency among similar items by cross-tabulating items of similar contents. In summary, the cross-tabulation was done on the following items: 1 and 2; 4 and 8; 3 and 11; 4 and 12; 5 and 9; and 5 and 10. The process indicated that the number of contradictory response were negligible as high percentage in one item will also followed

by high percentage in another item being tabulated. For example, 96.1 % of the respondents who indicated that Allah helps them also indicated that Allah helps people.

FINDINGS

Background of Respondents

Table 1 shows the demographic background of the respondents. Nearly 51 % of the respondents are male, while the rest are female. 48 % of them work in the public sector, while 43 % in the private sector and the rest are either students or housewives. In terms of age, 42 % of the respondents are 30 years and less; 39 % are between 31 to 40 years; 14 % are between 41 to 50 years; and 5 % are above 50. Nearly 43 % of the respondents possess non-degree qualification; 52 % of the respondents hold Bachelor or Master degree; and 5 % have PhD or other qualification.

Table 1: Demographic Background of Respondents

Demographic Profile	N	%
Gender		
Male	77	51
Female	74	49
Age		
21-30	73	42
31-40	59	39
41-50	21	14
50 and above	8	5
Level of Education		
Non-Tertiary	64	43
Bachelor/Master	79	52
PhD and others	8	5
Occupation		
Public services	73	48
Private sectors	64	43
Others	14	9

Religiosity and Business Perceptions

Respondents' levels of religious commitment or religiosity were collapsed. By using percentile, the upper and the lower thirds of the distribution are identified as the devout and casually religious. Thus, respondents with scores of 73 and more were labeled as the devout and those with scores of 49 to 70 were considered as casually religious. Since the aim of this study is to investigate differences between the devout and casually religious groups, subsequent analysis involve only these two extreme groups, resulting in a smaller number of respondents – 53 (36 %) and 47 (32 %) for the devout and casually religious respectively. In terms of respondents' perception, the same procedure was used to categorize respondents as either highly unethical or least unethical. The higher scores denote that the respondents are highly unethical and the lower scores

indicate that the respondents are least unethical. Hence the range or scores for the highly and least unethical are 63-89 and 33-50 respectively. 31 % of the respondents were highly unethical while 34 % were least unethical.

The result of cross-tabulation between gender, age group and level of education with religiosity and unethical business practices scores reveal that a relationship existed between gender and level of religious commitments as well as perception on ethics and moral judgment. As presented in Table 2, more females were found to be highly religious as compared to the male respondents. However, there is no clear indication as to whether there exist any relationships in the case of age group and level of education.

Table 2: Religiosity and Business Perceptions Scores of Respondents

		Gender				Age Group								Level of Education					
		Male		Female		21-30		31-40-		41-50		>50		Non-Tertiary		Bachelor/master		Phd & Others	
		N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%	N	%
Business Practices	High	28	61	18	40	19	41	16	35	11	24	0	0	28	61	17	37	1	2
	Least	22	44	28	56	23	46	19	38	5	10	3	6	17	34	28	56	5	10
Religiosity	Devout	18	34	35	66	20	38	23	43	8	15	2	4	25	47	24	45	4	8
	Casual	31	66	16	34	23	49	16	34	6	13	2	4	20	43	26	55	1	2
	Business Practices: High				Business Practices: Least				Religiosity: Devout				Religiosity: Casually Religious						
Total		N=46		% =31		N=50		% =34		N=53		% =36		N=47		% =32			
T-test Result	F=0.013; t=4.464; p=0.000																		
										Mean=52.4				Mean= 63.9					

Therefore, chi-square analysis was carried out to investigate whether there is any significant difference in the level of religious commitment and perception on ethics and moral judgment within the different gender. The result reveals that the level of religious commitment among the female is significantly different from the level of religious commitment among the male ($\chi^2=0.012, <0.05$) but there is no significant difference in terms of perception on ethics and moral judgment ($\chi^2=0.077, >0.05$). The result from independent samples t-test shows that there is significant difference between the devout Malay Muslims and the casually religious Malay Muslims in their perceptions towards unethical business practices. The Levene’s test (F=0.013) indicates inequality of variances. Therefore, we should use the t-value, degree of freedom and two-tail significant for the equal variance not assumed to determine whether differences exist between the devout and casually religious. Table 2 shows that the t value was 4.463 and the significant (p) value was 0.000. Thus, there is significant difference between the devout group and the casually religious group towards the perception on unethical business practices and hence supports the stated hypotheses. The analysis reveals

that the casually religious group (with mean score of 63.9) has more positive perceptions on unethical business practices compared to the devout group (with mean score of 52.4). The higher mean score for the casually religious group shows that the respondents in this group were more tolerance towards unethical activities practiced by businesses. In other words, the devout group is more concerns with unethical activities practiced by businesses.

The result of the regression analysis reveals that there is a significant relationship between religiosity (TotalRel) and the perceptions on unethical business practices (TotalBp). The authors acknowledged that correlation of determination (R^2) is low (7%) due to diverse definition of religiosity in the Muslim society³⁶ context. There are possibly pertinent variables being omitted during construct development. Subsequently the authors are modifying the religiosity measurement for future research to enhance its scales. Furthermore, only God knows the most pious individuals, because the seat of *Iman* or *Taqwa* is in the heart. Man can only judge people by each other's outwards deeds, which may or may not be misleading.³⁷

CONCLUSION

The findings of this study suggest that the degree of religiosity has significant influence on the perceptions of unethical business practices among Malaysian Malay Muslims. However, it only contributed 7 % towards the respondents' perceptions. The Malays uphold strongly the value of self-respect or preserving face as one of the important values. As such they would not willingly disclose information regarding unacceptable religious behavior. Thus, they may not want to admit that they are not strong believer and do not perform the obligatory duty for Muslims such as the five daily prayer, fasting in the month of *Ramaḍān* and *zakat*. Also, the results of the findings may possibly reflect the personal values of the middle-age group (which form 60 percent of the respondents) of the Malay Muslims. Generally, they are deeply embedded in the various systems inherited from the British colonial that are incompatible with the Islamic values. Particularly, the secular education system that do not emphasize on the integration of knowledge has produced a secular society whereby worldly matters (such as business and commercial pursuits) are treated separately from religious

³⁶ The Prophet *S.A.W.* said: "*Iman* (faith) has over seventy branches, and modesty is a branch of *Iman*. (Sahih Muslim, 001:0055).

³⁷ There is among people in this life, he whose speech will dazzle you. And he will call on Allah as a witness to what is in his heart; yet he will be among the most vicious of enemies (*Quran* 2:204).

matters. As such, some practices that are considered against the Islamic values (for examples transactions involving interest) have been accepted as norms in the business society.

The findings reported in this study are consistent with observation made by the previous reserchers in relating to behaviour of Malaysian Muslims. In one of the study, it is reported that Islam does not influence all aspects of the behavior of Malay Muslims in Malaysia³⁸. In the other study, it is noted that the majority of the Malaysian Muslims would abide by most of the dictates of their religion in so far as their consumption goes. They are very particular as far as consuming the lawful items are concerned. However, they are not very particular about whether their incomes are completely lawfully earned. For example, the recent issue of two factories in Selayang producing sausage using pig intestine has witnessed mounting dissatisfaction and retaliation from the Muslims.

In the early 1990s, there were initiatives taken by individuals and organizations to provide integrated education to the younger generation that emphasized on the integration of world and religious affairs. As such, more studies should be conducted to examine the perceptions and attitude of the younger generation in relating unethical business practices in Malaysia. Also, further studies should be conducted to investigate the influence of other factors on unethical business practices such as intensity of religious education and different level of income.

³⁸ Mohd Kamal Hassan, (1986), "Dimension of Islamic Education", in *Islam and Society in Southeast Asia*, Singapore: Institute of Southern Asian Studies.

