

# Ethics In Business: Your Integrity Is Your Collateral

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by Firoz Abdul Hamid - Aug 21, 2016



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## An interview with the Auditor General of Malaysia, His Excellency Tan Sri Dato' Setia Haji Ambrin bin Buang

### Prologue

“Why should they ask me to put on a uniform and go 10,000 miles from home and drop bombs and bullets on brown people in Vietnam while so-called negro people in Louisville are treated like dogs and denied simple human rights? No I’m not going 10,000 miles from home to help murder and burn another poor nation simply to continue the domination of white slave masters of the darker people the world over. This is the day when such evils must come to an end. I have been warned that to take such a stand would cost me millions of dollars.”

### Muhammad Ali on April 29, 1967, refusing to fight in the Vietnam War

The words of Muhammad Ali when asked to serve in the US army took sheer courage and, I would add, humility for a person at the top of his game to walk away from all that he worked for.

I have learned over the years that the true mettle of a being is seen when they lose all that defines them externally. It is at this point when the soul will decide – do I give up or do I dive down to the ocean beds to find my pearls. This is what Ali did. In his own words “Only a man who knows what it is like to be defeated can reach down to the bottom of his soul and come up with the extra ounce of power it takes to win when the match is even.”



To me, Ali is poignant to the environment that surrounds us today. In a “**Do What It Takes**” to get ahead world, we are having trouble discerning truth from falsehood, friends from foes, deception from integrity. There was a time when one’s word was one’s bond. Not one’s assets, not one’s degree, not one’s lineage. But one’s word. Not honouring one’s word is a scar not only on oneself but one’s entire clan.

Today, we make promises we never intended to honour. In a fast-food, fast-lane culture, if getting ahead means selling your soul or stabbing your colleagues, betraying your closest relationships, cutting back on that little truth when reporting, fudging a report to get a deal done – it is simply fine because everyone does it. As long as no one knows it, it’s fine. If you don’t do it you get left behind, is the rhetorical answer. It’s all about competition. All about self-marketing and selling yourselves aka your CV.



Words like integrity, accountability, ethics are reduced to banners, advertisements and company collaterals, and organisations take pride in bandying these slogans, knowing fully well that their systems and human capabilities are not designed to execute it.



Let's look at an example in history.

The Ottoman Empire, which existed from 1299 to 1922, was arguably one of the largest and longest-lasting empires in history. The Ottomans introduced the "gedik" (guild) system which made trade one of its strongest backbones of success. Artisans recruited under the guild system were strictly vetted for integrity. **Their collateral was their integrity.** The artisans had to obey to the strict moral rules collectively,

and this was the pillar of the strong Ottoman economy. The decline of the Ottomans after World War I was caused by many reasons, and history would show that when self-interests preceded personal integrity, and the dignity of trade skills and honour was replaced by greed, failure ensued many great empires including the Ottoman Empire. The gedik system, which anchored in honour and strong morals as the foundation of skills and trade, was slowly compromised by personal interests, causing the system which made strong foundation of the Ottoman economy and trade to slowly decline.

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During the world as we know it today, I wanted the thoughts of a man whose working style I was proud to have witnessed when I served the former Chief Secretary to the Government of Malaysia. The Chief Secretary **Tan Sri Dato' Setia Haji Ambrin bin Buang** is the Auditor General of Malaysia (AG), and his report on the lapses in the public sector has always been candid and public. The AG's reports are much-awaited every year by politicians, the civil societies and of course the media. They candidly highlight areas in the public service that needed improvements.

The interview below covers Tan Sri Ambrin's thoughts on accountability in the public sector and his aspirations for Malaysia.

In an era of technology and rumour mongering, the point that leaders in public and private sectors often miss is that the slightest taint on one's reputation even by gesture is a taint, nonetheless. The world of business today yearns for "CLEAN" leaders – not semi clean or marginally tainted.

Even as his earnings shrunk down to nought, as he lost his medals and prime years in boxing, Muhammad Ali stood by his conscience. Ali taught me that even the best can lose, and that nothing is permanent. **He taught me that a dent in your material possessions can always be restored – but a taint in your dignity will remain a permanent dent. I learned from his life: Your integrity is your best collateral, your best reference.** All else fades.

This to me is always a big deal!

### The role of the government in instituting a culture of accountability

**Tan Sri Ambrin Buang, Malaysia Auditor General**





## 1. Corporate governance and morality – Can one regulate human character in businesses and markets?

In most cases, **human greed is the major cause of corruption and abuse of power** in both public and private sectors. Thus we have anti-corruption laws and the penal code to cope with this scourge. However, corruption, fraud and the like are indeed criminal offenses which warrant a thorough investigation before the public prosecutor

decides there is a prima facie case to charge offenders in court. This usually tends to turn out to be a long-drawn affair. As a preventive and precautionary measure, therefore it is essential for an organisation to have in place a proper internal control system of checks and balances. Even with that, there is no guarantee that corruption and abuse of power will not occur.

## 2. Global ethics and moral dilemma – What would you say is the biggest moral dilemma facing economies today, and what are the values needed to solve this?



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**Role of the government** – What is the role of the public sector and of government leadership globally?

**From the audit perspective in the Malaysian public sector, the government has become more open and transparent with the reports of the AG** by calling for immediate corrective and punitive actions, by empowering the audit department to directly handle follow-up measures through the establishment of the Action Committee on the Auditor General Report, chaired by the AG and comprising representatives of various enforcement agencies, and reporting to the public the actual status of the follow-up measures through the AG Dashboard. In addition, the Chief Secretary to the Government of Malaysia, together with heads of public bodies, engage with the media after the submission of the AG report to the parliament. These initiatives by the government have enabled the country to have a unique system of accountability globally.

## 4. Accountability measurements – What is causing lapses in public sector accountability? Can accountability be measured in the form of KPI?

For the public sector we now have the **Accountability Index**, which is an instrument to objectively measure the level of compliance with financial regulations by ministries, departments and agencies. Introduced eight years ago and endorsed by the government as a Key Performance Indicator (KPI) for heads of government bodies, there has been much improvement in compliance as financial management is being done more seriously and these heads are being benchmarked and their performance is being made known to the public.



**5. Progress versus accountability** – How can progress be achieved without compromising accountability in the public and private sectors?

In Malaysia, accountability is an integral part of our parliamentary democratic system of government, whereby every level of government, whether federal, state or local, are accountable to the people through the parliament or the state legislative council. **The people want progress and development. But they abhor things like leakages, wasting, fraud and corruption in public administration** for which the government of the day is held accountable. **For their own political survival, any government nowadays cannot ignore such public concerns and therefore must undertake corrective and punitive actions expeditiously.** This way the nation's growth can be facilitated and accelerated by ensuring that scarce resources are appropriately allocated for productive purposes.

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**of media and watchdogs** – What role can media, citizen journalism and NGOs play in instituting ability?



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ist strive to be credible, and to sustain their credibility it is very important for them to have a **d perspective and be as transparent as possible.**



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**on and business** – Does one have to be religious and spiritually guided to be accountable?



religion is an integral part of my integrity because I am ultimately accountable to Allah for all my and deeds in this world. **I can escape from the worldly courts of law and public opinion, but I cannot absent myself to be judged by the court of Allah.**

**8. Malaysia** – What are your aspirations for Malaysia?

**Public and private sector accountability.** To further progress, there is a need for everyone to be more **law abiding and for the enforcement to be more effective and less selective.** It is important for key institutions, audit included, to **maintain their professionalism and independence.** I believe our audit institution can be more effective if it is weaned from the executive branch of the government.

**9. Leadership** – You are often seen as one of the exemplary leaders in the country. What are the fundamental tenets of leading?

I strongly believe in **leadership by good example.** I am always inspired by what my former boss said “I am not important, what I do is more important.” In public administration, we must be seen to be clean, efficient and trustworthy.

**10. Retirement** –What are your plans after you retire?

I know I will have more time for myself and my family. More time to read, more time to keep fit, more time to travel around. I will keep myself busy and enjoy my freedom after 46 years serving the country. I will try to complete writing a book as soon as possible.