

The background of the slide features a professional setting. On the right side, there is a close-up of two hands in business attire shaking hands. Below this, on a dark surface, a gavel and a clipboard with papers are visible. The slide is decorated with geometric shapes: a dark grey bar at the top, a bright green triangle on the right, and a large green trapezoid on the left containing the main title. At the bottom, there are more dark grey and green geometric shapes.

INTEGRITI

INSTITUT INTEGRITI MALAYSIA
The Malaysian Institute of Integrity

NATIONAL INTEGRITY AS THE CORNERSTONE OF ETHICAL BUSINES:

A Public-Private Partnership Approach

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Introduction

- In today's global economy, **businesses are judged not only by their profits but also by how ethically they operate.**
 - Integrity is no longer optional; it is a cornerstone for sustainable growth.
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- A strong national integrity framework **supports ethical business behavior.**
 - In a Public-Private Partnership (PPP), the government **sets the rules, guidelines, and oversight.**
 - Businesses follow these principles **to ensure compliance, transparency, and ethical operations.**

Building Trust for Sustainable Growth: **National Integrity as the Foundation**

National integrity encompasses policies, ethics, and anti-corruption frameworks established by the government and relevant authorities.

These frameworks **set the rules, standards, and expectations for ethical behavior across both public and private sectors.**





Why Integrity Matters in Business and Governance

- Integrity defines how nations and businesses behave ethically.
- Without it, corruption, inefficiency, and loss of investor confidence thrive.
- A country's integrity framework influences the trust level of its entire business ecosystem.

Strategic National Asset

Integrity is not just a moral concept — it's a strategic national asset. When the public and private sectors align on integrity, it creates an environment where ethics and growth coexist.





- National integrity is the **foundation of trust in business.**
- Ethical businesses **attract investors, retain talent, and strengthen society.**
- Public-private collaboration ensures integrity is **embedded both in policy and in practice.**

Each layer supports the next — showing how integrity **translates into real economic outcomes.**

National Integrity as the Foundation Layer

Strengthening the National Integrity Framework



Strong Policy & Ethical Foundation

Anchored in Policies, Ethics, and Anti-Corruption measures.



Supported by Key National Institutions

Driven by national bodies such as IIM (Institut Integriti Malaysia), MACC, and the National Anti-Corruption Strategy (NACS).



Promotes Good Governance Culture

Promotes ethical leadership, transparency, and accountability.

- **National integrity sets the tone** — when government institutions uphold ethics and enforce anti-corruption frameworks, businesses follow suit.
- **It's the first step toward building trust across sectors.**

Trust in Business

Translating Integrity into Business Trust



Foundation of Good Governance

Built on transparency, accountability, and stakeholder confidence.



Ethical Business Practices

Encourages open procurement, fair competition, and responsible governance.



Safeguards Public & Investor Interest

Protects both investors and consumers from unethical practices.

- **Trust in business doesn't appear by chance** — it's the result of consistent integrity.
- When national systems are strong, **businesses become more trustworthy partners, both locally and internationally.**

Role of Public-Private Partnership (PPP)

Integrity in Action: The PPP Approach



Role of a Public Sector

Public sector provides policy direction, regulatory frameworks, and oversight.



Role of a Private Sector

Private sector ensures compliance, transparency, and ethical implementation.



Combined Impact of Both Sectors

Together, they drive innovation, investment, and service delivery.

- Public-private collaboration **works best when both parties share the same integrity values.**
- PPPs become models of good governance — **balancing profit with public interest.**

Ethical Corporate Practices

Integrity as a Corporate DNA

Implementation of Anti-Bribery Standard

Adoption of Anti-Bribery Management Systems (ISO 37001).



Strengthening Internal Governance Mechanism

Internal controls and whistleblowing mechanisms.



Embedding Integrity into Corporate DNA

Corporate DNA must also embed adequate procedures to support ethical and compliant operations.



Aligning CSR with Integrity Goals

Corporate social responsibility is aligned with ethical objectives.



- When integrity becomes part of a company's culture, **it guides every decision — from top management to frontline employees.**
- This **reduces risk** and strengthens brand reputation.



Sustainable Economic Growth & Investments

The Economic Dividend of Integrity

3 Advantages:



Ethical ecosystems attract foreign investments.



Transparent processes lead to long-term growth and stability



Builds investor confidence in the country's governance.

Integrity isn't just moral — it's profitable. Studies show that countries with stronger integrity systems enjoy more **resilient and sustainable economies**.





Malaysian Case Studies

Real Examples of Integrity in Action

Corporate Integrity Pledge (CIP)

Encouraging companies to commit to anti-corruption principles.



National Antii-Corruption strategy (NACS)

Aligning public and private efforts under shared objectives.



IIM's Integrity Assessments

Supporting organisations in measuring and improving ethical performance.



These initiatives show that **integrity frameworks are not abstract concepts** — they're being practiced and continuously improved in Malaysia.



SUCCESS

Case Study 1: North–South Expressway (PLUS)

Sector: Transport / Infrastructure

PPP Model: Build–Operate–Transfer (BOT)

Partners: Government of Malaysia & Projek Lebuhraya Utara–Selatan Bhd (now PLUS Malaysia Berhad)

Timeline: 1988 – present

Framework Element	Evidence
National Integrity (Policy, Ethics)	Governed under a clear concession agreement and later oversight by Malaysian Highway Authority (LLM) — ensuring regulatory integrity and performance standards.
Trust in Business (Transparency, Accountability)	Transparent toll policy and concession terms — audited and publicly reported. Over time, the government acquired a majority stake via Khazanah and EPF, maintaining public trust.
Ethical Corporate Practices	Implementation of ISO 37001 (Anti-Bribery Management System) and strong governance frameworks in PLUS operations.
Sustainable Growth & Investment	Created Malaysia’s first highway network connecting north and south, spurring industrial growth and regional connectivity.



Case Study 2: Shah Alam Expressway (KESAS) / Amanat Lebuhraya Rakyat (ALR)

Sector: Transport / Urban Mobility

PPP Model: Concession-based PPP

Partners: KESAS Sdn Bhd (Private) & Government of Malaysia

Timeline: 1994 – present

Framework Element	Evidence
National Integrity (Policy, Ethics)	Governed under clear PPP guidelines and concession laws (LLM Act). The 2019 government acquisition via ALR increased transparency and reduced toll burden.
Trust in Business (Transparency, Accountability)	Transparent communication with users — tolls remain unchanged for 10 years, boosting stakeholder confidence.
Ethical Corporate Practices	Commitment to Health, Safety, Environment (HSE) standards and transparent reporting to investors through sukuk disclosures.
Sustainable Growth & Investment	Supports economic activity between Klang, Shah Alam, and Kuala Lumpur — enabling industrial expansion and reducing travel time.

FAILURE



Case Study 3: Geothermal Power Plant

Sector: Energy

PPP Model: Facilitation Fund (Public Funding for Private Execution)

Timeline: Announced 2010s – failed to complete
(Auditor General's Report 2018)

Framework Element	Evidence
National Integrity (Policy, Ethics)	Weak due diligence and lack of enforcement of PPP criteria. RM248 million allocated, but projects never materialised.
Trust in Business (Transparency, Accountability)	Poor project monitoring and insufficient accountability mechanisms; unclear agreements between public and private parties.
Ethical Corporate Practices	Weak corporate governance; lack of transparency in fund disbursement and progress reporting.
Sustainable Growth & Investment	Public funds lost; no operational outcome or long-term benefit achieved.

Comparative Insights Table

Key Factor	Success (PLUS, KESAS)	Failure (Geothermal/UP, Forest City)
Governance & Policy Integrity	Clear concession rules, regulatory oversight	Weak policy enforcement, unclear contracts
Transparency & Accountability	Regular audits, public reporting	Poor monitoring, opaque fund usage
Trust & Stakeholder Engagement	High user and investor confidence	Low public trust, policy disputes
Ethical Corporate Practices	Compliance with ISO & ESG standards	Neglected environmental/social obligations
Sustainability & Economic Value	Long-term national benefits	Short-term, unsustainable outcomes



Lesson Learned

The future of Malaysia's business landscape depends on **integrity-driven partnerships**.

Both public and private sectors must walk this journey together to ensure shared prosperity.

Positive Impact

Strong governance and clearly defined concession roles foster transparency and trust — allowing Malaysia's largest PPP to remain viable and profitable for decades.



Negative Impact

Without strong integrity and accountability systems, PPP projects risk financial waste, reputational damage, and loss of public confidence in government partnerships.



Conclusion

Integrity Builds Nations, Trust Sustains Businesses

In summary, **national integrity is the cornerstone** — it shapes ethical businesses, builds trust, and **fuels sustainable development**.

With strong public-private collaboration, Malaysia can lead as a model of integrity-driven growth.

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FOR YOUR ATTENTION

