

**SPIRITUALITY AS AN ANTIDOTE TO FINANCIAL CRIMINOLOGY:
THE DESIRED NEXT LEVEL**

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ABSTRACT

Despite the strict regulations and standards on financial criminology being extended by authorities to address emerging threats to global security, reports indicate increasing volumes of frauds in governments and financial institutions. This study takes steps towards developing spiritual dimensions to be included as prerequisites for assessing compliance and effectiveness of all technical measures in the on-going review of the risk-based approach. In the literature and practice, dominant research that centred on rule-based structure has so far yielded conflicting and ambiguous results. These could not transform effective functioning, thus inconclusive. Hence, this study stimulates debates on the need to extend ethical and spirituality issues in the Financial Action Task Force (FATF) recommendations. The inclusion of such perspective of spirituality incorporates both the rule-based, risk-based and principle-based approaches, as a comprehensible preference to the traditionally dominant non-effective rule-based model in an attempt to offer a more inclusive approach that will strengthen the existing financial criminology structure for global peace and sanity in the markets. This paper is conceptual in nature, thus does not claim any empirical cause and effects evidence. Building upon various spirituality dimensions such as cognition, norms, knowledge, conscience, ethical behaviour, fear of God, this study concludes that combination of less enforceable rules, and emphasis on spirituality and fear of God, the challenges of financial criminology will be less, and the measures more effective and the environments more conducive for global market participation.

Keywords: *Financial Criminology, Spirituality, Effectiveness, Hereafter*

Paper Type: Concept Paper

Introduction

Financial criminology research efforts had thrived for decades through individual scholars, local and international institutions, but yet huge financial scandals are on the increase. And despite the financial rules, recommendations (FATF 40-9) and intelligence security agencies that appear all-star, with comprehensiveness, qualifications and technology far beyond what any regulator would ever impose or perpetrator imagine. Sophisticated as they are, in some extreme cases, financial crimes occur despite the formal standards and regulations with insider connivance working as organized poaching syndicates, serving as clearing houses, distributing to their 'subscribing' allies through formal underwriting. Consequently, huge notable cases of financial catastrophe are too numerous to mention both in governments, terrorist organizations, private corporations (Enron, WorldCom), IMF etc, which endangered and exposed misfortunes for millions of world citizens.

According to Normah (2012), based on recent police statistics, the risk of detecting perpetrators of "white-collar" and "blue-collar" crimes is seen to be lower, successful prosecution is more difficult and the penalties are less severe. In her monogram, the author observes that although there is legislation that deals with financial fraud cases, in some instances perpetrators get away with fraudulent acts without any punitive action, and evidences could disappear from the legal records and cases thrown out of court proceedings.

It can therefore be argued that corporate scandals that have highlighted poor governance are happening despite adherence to the formal rules and regulations, such as 2002 US Sarbanese-Oxley (SOX) and various other country codes. In this respect, with the collapse of Enron in 2001 and the enactment of SOX in 2002, Ingley and van der Walt (2005) report that reforms have gained momentum as worldwide issues, centred on addressing perceived weakness and failure especially at the levels of the top personnel at the helm, and aiming to restore confidence in the equities market system. They raised a fundamental question as to whether, in an environment of stricter regulations it is possible to constitute effective corporate governance, given that current legislation establishes minimum indispensable requirement. Similarly, since in 1992, the UK Cadbury Report is considered the thought leader in the development of best practice for effective governance and became the standard across the globe, especially in the 54 Commonwealth nations (Kiel & Nicholson, 2003; and Ingley & van der Walt, 2005). Considering the insights in the questions raised, organizations' full compliance with the basic legal requirements, provided in establishing financial structure for technical compliance for market participants may simply not be sufficient.

In this circumstance, policymakers (regulators) normally focus on increased deterrence, which in practice usually means more enforcement. After all, if compliance with the rule is 100%, there will be less need for enforcement. But the direct and indirect costs of compliance and enforcement are usually very high, and the society has to bear the cost of crime as a victim of crime through the use of taxpayers' money that could have been utilized to improve their welfare. Thus,

since it is impossible to prevent fraud and abuse, and based on the increasing trends of frauds, the costs could outweigh the benefits if increased enforceable rules are the only methodologies employed. Therefore, Hambrick Werder and Zajac (2008) assert that as corporations and societal norms evolve, so do the boundaries of what constitute effectiveness.

Against the background, erosion of confidence in the corporate vineyards due to concerns about ethical scandals and violations such as Enron and Arthur Andersen, including the US subprime mortgage crisis create negative effects such as the elimination of trust and sense of community in corporations (Gull and Doh, 2004; Neal, 2000). In this regard, even donor and religious agencies are increasingly vigilant for any signs of corruption in any form of projects they fund irrespective of the modality used. Similarly, despite being perceived as less corrupt, non-governmental organizations (NGOs) and religious agencies are not immune to frauds and corruption. Among the spectacular scandals is the United Way in the US, where the chief executives of the umbrella organization and its Washington DC chapter were convicted for theft and misappropriation of hundreds of thousands of dollars in 1995 and 2004 respectively (Wilhelm & Wolverton, 2004; and Strom, 2006). Another NGO scandal as reported by (Fischer, 2007) is in International Helsinki Federation for Human Rights where the finance officer embezzled EUR 1.2 million. Similarly, Zack (2003) reports examples of USA's largest nonprofits being victimized by acts of frauds and abuse, which involves Goodwill Industries, American Cancer Society, United Way, Episcopal Church etc. The most common forms of frauds in NGOs include: inflated, duplicate invoices for goods and services procured for a project; 'ghost' employees, participants or beneficiaries that inflate the costs of project activities; kickback arrangements in procurement of goods or services or in hiring of project staff; accepting funds from more than one donor for the same project fictitious NGOs, or politically connected organizations set up to win public contracts (Trivunovic, 2011).

Thus, Waddock (2006) argues that corporate scandals have resulted from self-centeredness, greed, egoism, and selfish passion instead of caring for others. As a result, trust in institutions impaired. In the literature, there is a lack of empirical evidence to draw conclusive answers to questions on how effective are the mechanisms donors put in place to prevent corruption. Hence, in this issue some business enterprises are no longer willing to assert profit maximization as the overriding goal. Consequently, management research witnesses a paradigm shift in the direction of an ideology that embraces not only the drive for profit but also for social and religious responsibilities. These changes include a shift from a materialistic economic focus to a balance of profits, spiritual orientation, and social responsibility concerns (Fox, 1994; Neal, 1997; DeFoore and Renesch, 1995), a shift from self-centeredness to interconnectedness (Capra, 1993), a shift from self-interest to service and stewardship (Block, 1993; Neck and Milliman, 1994). In this regard, Tripp (1999) argues that spiritual commitment combined with practical support can be more effective in improving the lives of the poor than mere technical help can do.

In this regard, globally, institutions and nations strictly review, apply and enforce rules, and yet financial scandals are on the increase. This study intends to see beyond the rules by investigating spiritual factors to be motivated by the fear of God as disincentive to committing frauds. In the literature, rule-based and risk-based fraud characteristics dominate, while the principle-based spiritual factors are relatively untested despite their importance and call by scholars. It is high time spiritual arguments are presented to influence private character and shape attitudes instead of the blind leading the blind approach that characterize previous research about financial criminology. Scholars need to go beyond establishing and protecting their own fortresses of research subject to empirical dogmatism. Therefore, this study intends to advance research in a paradigm-shift about fundamental market participants' roles to attain spiritual factors in relations to assessing effectiveness as the next level in the on-going review of FATF standards and challenges. Hence, the objective of this paper is to examine whether the inclusion of spiritual factors in the on-going FATF review process could constitute the desired effectiveness in the global fight against financial crimes.

Spirituality in different perspectives

In the literature, Karakas (2010) reports that there are more than seventy definitions of spirituality at work, and still, there is no widely accepted definition of spirituality (Markow & Klenke, 2005). There are indeed many possible ways to define such a complex and diverse term as spirituality at work. For example, spirituality has been defined as a search for personal meaning and a relation to the Supreme God or a unique and personal inner experience of and search for the fullest personal development through participation in the transcendent mystery (Cavanagh, 1999; and Delbecq, 1999); as a virtue, worldview and a path (Cavanagh & Bandsuch, 2002). In more comprehensive perspectives, spirituality can be described as a state or experience that can provide individuals with direction or meaning, or provide feelings of understanding, support, inner wholeness or connectedness either to the said individuals, other people, nature, the universe, God, or some other supernatural power (Parven & Maqbool, 2007). In other words, it is the presence of relationship, inner motivation, existential quest, and prescription (Smith & Rayment, 2007; Parveen & Maqbool, 2007; Armstrong, 1995). In these definitions, spirituality is mostly described as an idiosyncratic, multifaceted, elusive concept; difficult to be captured in a common definition (Karakas, 2010).

Over the last decade, scholars report a steady increase of interest in spirituality at work issues among management researchers and practitioners in North America (Cavanagh, 1999). In their attempts on virtue as a benchmark for spirituality in business, Cavanagh and Bandsuch (2002) argue that business people often consider spirituality a means of increasing integrity, motivation and job satisfaction. Yet certain spiritualities are superficial and unstable. Religion gives depth and duration to spirituality, but may also sew divisiveness. Spirituality's ability to develop good moral habits provides a positive test of the "appropriateness" of that spirituality for business. Many successful business

executives demonstrate a spirituality that does develop good moral habits. As a norm or benchmark to assist business people in deciding which spiritualities are appropriate for the workplace, it has been proposed that managers support those spiritualities that promote good moral behaviour and good character, because such spiritualities will maximize the benefits of a spirituality in the workplace while minimizing the potential problems (Cavanagh & Bandush, 2002).

Other Scholars have documented various attempts exploring and explaining dimensions of spirituality. One of the most comprehensive is spirituality and performance in organizations by Karakas (2010). The author reviewed spirituality at work literature and explored how spirituality improves employees' performances and organizational effectiveness. The study reviewed about 140 papers on workplace spirituality to review their findings on how spirituality supports organizational performance. Three different perspectives have been introduced on how spirituality benefits employees and supports organizational performance based on the extant literature: a) Spirituality enhances employee well-being and quality of life; b) Spirituality provides employees a sense of purpose and meaning at work; c) Spirituality provides employees a sense of interconnectedness and community. The study introduced potential benefits and caveats of bringing spirituality into the workplace; providing recommendations and suggestions for practitioners to incorporate spirituality positively in organizations.

Whether applying, enabling, or incorporating spirituality practices in organizations result in increase in productivity or profitability is a very complex and controversial issue. Dent, Higgins, and Wharff (2005) review the controversies around the measurement and rigor issues of how spirituality and firm performance are related. Some researchers supporting this position point out to the fact that there may indeed be ethical pitfalls and moral concerns in the research. Other researchers also mention their concerns about spirituality being used as an administrative tool to manipulate employees (Brown, 2003; Fernando, 2005; Mirvis, 1997; Cavanagh & Bandsuch, 2002). These scholars argue that spirituality should be seen as an end in itself and should not be used as a managerial tool for increasing financial performance in organizations (Fernando, 2005; Cavanagh & Bandsuch, 2002). On the other hand, some scholars argue that spirituality can be used to improve organizational performance (Ashmos & Duchon, 2000). This position can be summarized as the strategy to empirically demonstrate positive effects and outcomes of spirituality in organizations (Karakas, 2010). The basic aim is to make the area of spirituality at work research more legitimate and mainstream to organizational studies. Indeed, it has been suggested that organizations that encourage spirituality experiences improved their organizational performance and profitability (Thompson, 2000). In the last decade, several research projects have been conducted that reported positive relationships between spirituality at work and organizational productivity and performance (Delbecq, 1999).

Connection between spirituality and financial crime

In the Islamic perspective, Surah al-Mutaffifin (83:1-8) condemns all types of fraud. "Woe to those that deal in fraud. Those who when they have to receive by measure from men, exact full measure. But when they have to give by measure of weight to men, give less than due. Do they not think that they will be called to account? On a mighty day, a day when all mankind will stand before the Lord of the world? Nay! Surely the record of the wicked is preserved in Sijjin". In this verse, fraud does not only mean giving short weight but also all types of fraud in commercial dealings or government business. It prohibits any type of swindling and giving less than what is due from you, whether you expect or wish to receive full consideration. Similarly, as long as no oppression, deceit, hoarding or cheating is involved, every Muslim is encouraged to do trade and business. The last Messenger of Allah (peace be upon him) said, "If the two parties speak the truth and make [all matters] clear, their transaction shall be blessed, but if they conceal and tell a lie, the blessing of their transaction shall be obliterated" [Al-Bukhari, Ch. 34, hadith 19]. In this regard, spirituality is seen as a constituent principle granted freely by Allah (swt), which aims at seeking connection with the Lord of the universe, other fellow human beings, creatures and the universe as they are all created by same Lord (Rulindo & Mardhatilla, 2011). In the opinions of the authors, people with good conditions of spirituality will meet all the characteristics identified by the Western definition of spirituality, for both the pure and the applied views of spirituality.

However, the main difference in the Islamic perspective is in the position of spirituality toward religion. Imam Al-Ghazali's *Ihya Ulumuddin* as seen in Rulindo & Mardhatilla (2011) mentioned that it is spirituality that creates belief toward religion such that believers always try to find their own identity; Who created them? What is the position of the message and messenger of the Holy Scripture? Who are they? What is the purpose of life on earth? Where is the next destination after death? The answers to these questions can only be answered, and maintained by religion which should form the conviction of the believers. A perpetrator will not involve in frauds if he is certain to be caught. He commits the crime with a chance he will get away unnoticed. An offender is usually motivated to commit a crime when there is an opportunity to do so, an easy suitable victim, and lack of strong control mechanisms to catch him, or a capable guardian manager. However, a great disincentive for committing any form of fraud is the knowledge and fear that the perpetrator cannot escape being seen by the Supreme Lord, and there after the eternal punishment that has no appeal.

If it is human to err, then the holy Quran mentions the remedy. "You shall recite what is revealed to you of the Scripture, and observe the Salat (Contact Prayers), for the Salat prohibits evil and vice. But the remembrance of God is the most important objective. God is aware of all that you do" (29:45). In other words, being steadfast to regular prayers is the best anti-crime. This is largely borne out of the fact that the extant literature from the Quran and Hadith scriptures affirmed that Islam is a complete way of life. In other words, a form of legal business Muamalat in the name of alleviating

poverty can better be directed and controlled if Shariah values informed bulk of decision-making processes of the board. As far as Islam is concerned, divine evidences abound in the Holy Scriptures. In addition, Hassan (2001) admonishes that from the Islamic point of view, it is not acceptable to separate spiritual values from daily affairs. In this respect, management and all other fields of study are considered as human activities that require Islamic guidance and managing organizations is considered as an act of worship (Atari, 2000). Hence, corporate governance is considered in Islam not only as a mere means of directing and controlling in managing means of livelihood but also an act of *ibadat* (worship) with a spiritual dimension.

On the wave of these interests, the growing recognition of spirituality at work researches generally, and particularly the consensus that Shariah issues encompass all aspects of life, financial criminology inclusive, it is necessary to have an intersection of spirituality with financial criminology in all places of work. This is imperative so that linked arguments can be consolidated and systematically analyzed. The Quran, the Muslim Holy Book, defines the most important goal in the life of a Muslim as the worship of Allah. The Quran States: "*I created the jinn and humankind only that they might worship Me* (51:56). Worshipping includes abiding by the principles of the faith and restricting oneself from what is forbidden. Moreover, worship in Islam encompasses many possible activities if done with the right intention; such as providing for one's children and working. According to his Sunnah (example), the prophet of Islam, Muhammad, once noticed a man praying endlessly in the mosque. When he asked who provides for the worshiper's livelihood, he was told that it was his brother. He then proclaimed a famous saying, or *Hadith*: "his brother is better than him".

In the context of the business representation process, this *Hadith* implies that a firm should look for a candidate who is principled, moral, and pious and dedicate to performing good deeds while serving the organization. The services here are not exclusive of being at the helms of affairs. It admonishes good ethical behaviour that will move the organization forward. These actions should add value to the organization, and help it become more profitable in the long run. The honesty of such employees or board members should motivate them negotiate better deals; plan better to benefit the company, design better products to meet the client's needs, strategize focus on achieving set goals, and seek the blessings of the Lord through prayers and good deeds. They would be motivated by their desires to have their products or services simultaneously maximize profit and God's blessing. Employees, practitioners and policy makers are expected to be both professional and spiritual. They join technical knowledge acquired through education and experience with ethical conduct to produce goods and services to the best of their abilities because they consider work to be a form of worship. The Prophet also entices them to achieve the highest standards in their work by saying in a *Hadith* that "Allah is pleased with those who when they undertake a task, they do it with perfection."

In today's workplace, the institutions require employees to punch in their cards to make sure they come to work, some ask for daily reports, send patrolling supervisors, or use other means of monitoring effectiveness. A spiritual perspective on monitoring adds two types of such activities: self-monitoring and God's monitoring. Self-monitoring is the believer's effort to restrict himself from being immoral or from absconding. The Quran emphasizes this notion by declaring that even one's thoughts are known to Allah, as in (2:29): "*say if you conceal that which in your souls or reveal it, Allah knows it*". When personnel, either at the lower cadre or higher board members believe they are being monitored by the Lord of the Worlds, the One, the Omnipotent Creator who asked them to act righteously and with integrity, they will be careful in how they act within their organizations. They will produce well, minimize waste, strategize and refrain from frauds, deceiving and cheating. These benefits combined together could increase profits for the organization while reducing the cost of creating layers of supervisors and monitoring systems. Perhaps employers in work societies should invest in educating employees in the precepts of their faiths instead of emphasizing tools of monitoring and control. This could be done at during orientation or in cyclical workshops.

In this regard, Ali (2005) captures that spiritual and mental needs strengthen the quest for perfection and actualization of one's potential in serving the community and organization. Similarly, Toor (2011) maintains that Islam encourages the man to integrate his work and everyday objectives with religion and spirituality and grow every day on earth while establishing God's will. Furthermore, scholars have argued that many of the characteristics of "spirituality in the workplace" are basic themes in Islam because of the recognition of the fact that spirituality and religion in Islam are not distinct entities but rather branches of the same tree (Toor, 2011). In business and management literature, one extension of spirituality at the workplace has emerged as an important factor in organizational development. Nevertheless, there are inconsistent findings among the studies given that religions are found to have no association with economic development (Noland, 2005). There are some studies that empirically prove positive relationship between religiosity and entrepreneurial activity, and to some extent with economic development as well as business performance (Galbraith and Galbraith, 2007). Others found more significant influence of individual and socio-economic characteristics on improvement of clients' business. In another related research Adamu, Kedah and Osama-Gani (2011) conduct an exploratory study to investigate the effects of spirituality in Islam on entrepreneurial outcomes. The result of the study suggests that spirituality in Islam has the potential to positively influence the attitudes of entrepreneurs and to serve as a motivational drive for going into business. The authors argued that spiritually inspired entrepreneurs are motivated in their entrepreneurial pursuit fundamentally to seek for the pleasure of Allah rather than worldly rewards in form of profits. Hence, with such motivation, it is unlikely that personnel will involve in any fraudulent act against the organization.

In line with the literature, based on the religious spirituality position in business presented as explained by the Quran and Hadith, and juxtaposing a connection of various spirituality perspectives that demonstrate positive effects and outcomes of spirituality in organizational performance (Delbecq, 1999; Thompson, 2000; Ashmon & Duchon, 2000; Mardhatillah and Rulindo (2007; 2008; Karakas, 2010; Adamu et al, 2011; and Rulindo & Mardhatilla, 2011), we consider the propositions that more often than not, for worldly business benefits, spirituality provides a sense of purpose as effective recommendation to be included in FATF on-going review process of the standards. In addition, more often than not, for hereafter salvation, spirituality provides the necessary inspiration needed to absolute preventing financial crimes.

Discussion and Conclusions

Studies in management have recently pondered in thought into consolidating spirituality in work place, entrepreneurship, microfinance, governments and NGO institutions mostly from the Western perspective. One major implication in this study is that it has strengthened both Islamic and other faiths' financial criminology linked to spiriruality literature by developing and conceptualizing spirituality dimensions. The arguments present spiritual/religious moral value factors to prevent all types of frauds could enhance effective performance, in relations to improving strategic functioning in the study. Our effort in this paper follows the new era of Islamic renaissance towards a paradigm shift in Islamization of knowledge, and in response to calls for problem-solving approaches to be broadened to incorporate spiritual dimensions (Parvez and Ahmed, 2004) in the Islamic perspective especially in a vulnerable, high-risk, and greedy economies capable of pushing the world to economic stagnation and depression. Interestingly, we made an attempt in this study to join spirituality preceding scholars in the framework of empirical research analysis showing how each one contributes to the field. This study finding in its unique conceptual form could be said to integrate some aspects in the works of (Cavanagh, 1999; Cavanagh & Bandush, 2002; Mardhatillah and Rulindo, 2007; 2008; Karakas, 2010; Adamu et al, 2011; and Rulindo & Mardhatilla, 2011).

Consequently, an implication for practice is FATF recommendations may thus become more actionable for financial institution practitioners and regulators. This suggests that inclusion of these factors contribute to the problem solving process because they offer a variety of spiritual hopes that result in fraud prevention, quality of judgment, which in turn makes them perform their service roles more effectively. This argument falls within acceptable rationality because firm practitioners and regulators at the helms of affairs will have more composure with greater mental capacity and stability to focus on planning and controlling routines to help them analyze complex tasks for effective decision-making. This also implies that closeness to God will help the all and sundry in their analyses to re-examine thoughts, action, intentions, evidence and assumptions, to shake up habitual ways of working and thinking, to dissipate conventional familiarities, to re-evaluate rules and institutions, and

to participate in the formation of early stages of providing a conducive atmosphere for work and worship, and decision-making. In the end, by means of empathy and faith compassionate bond can be created through policies that could shift loss of confidence to trust, and in the end through coordinated intentions of economic societies, the poverty index can be favourable to the poor. Consequently, these will serve as incentives to protect NGOs donors' wealth, encourage government continued support policies in services and poverty alleviation program, and could help sustain for profit firms in the long-run through proper, sound. Ethical and trustworthy platform in search for world peace, tolerance, understanding, progress and prosperity. In summary, the verse below articulates the passage as a spiritual bond and in time:

Say: Truly, my prayer and my service of sacrifice, my life and my death, are (all) for Allah, the cherisher of the worlds (6:162)

Similarly, Ali (2005) maintains that in order to build business institutions and establish a market economy based on justice and responsible competition, Islamic principles and original thinking of the early Muslim generation are required. A tradition of the Prophet is reported to have said: *"The most lawful food of a servant is the earning of the hand of a producer if he did it to the best of his abilities (with sincerity)" (Bukhari).*

In conclusion therefore, the research objective is to examine whether the inclusion of spiritual factors in the on-going FATF review process could constitute the desired effectiveness in the global fight against financial crime, and the extent spiritual values prevents financial criminology has been achieved. In effect, due to the significance of spiritual factors in firms' development process, the FATF can play an important role, which is best captured in the assessment of how spirituality impacts on the preventive role measure that could win the dual objectives of higher profits, and lower costs (due to decreased cost of enforcement) in the financial firms. It is argued that personnel with Islamic spirits are inspired from the heart and are guided in their respective roles to seek Allah's (swt) pleasure, motivated by rewards both in this world (*falah*) and in the Hereafter (*Jannah*). As such they undertake their service and strategic tasks with utmost commitment, with the believe that they will be answerable not only to the employers, followers, shareholders, government, donors, but also to Allah (swt) for all their actions as custodians of the wealth, and as vicegerent of Allah. This means that in all kinds of organizations, high level managers who hold top positions in authority should treat every member of the organization as their equals and show kindness, benevolence and tolerance towards them as taught by Caliph Umar (ra). Such spirit is likely to encourage the fund managers and other employees towards a consciousness of being not only accountable to the top, fund raisers and other stakeholders, but also primarily accountable to Allah (swt). Generally, the fundamental ethics of accountability can easily be enshrined as a culture and the desired business norms will be established

especially as spirituality relates to the management of social institutions, whether government owned, for business or NGO's. Indeed, this will be recorded in the success stories in relation to preventions, detection, investigations and convictions of financial crime offenders, as well as compliance. It is impossible to prevent frauds and abuse in totality since it is human to err, but it is also appropriate for organization to have spiritual values inculcated in policy frameworks and constant reminder on the need to have the fear of God as the ultimate arbiter for all actions. From this paper analysis, it can be inferred that spirituality can positively influence the attitudes of personnel and serve as an inspiration in their determination for progressive business and also serve as a catalyst for positive energy, and fraud-free service performance. But whether spirituality factors lead to increased commitments to corporate social responsibility is an agenda for future studies.

In addition, due to its potential benefits, financiers, regulators should create an environment conducive for spiritual values and practice to flourish in their workplace by bringing their spirituality to life in their organization's culture through their actions. This is because as a complete way of life, Islam emphasizes on fairness in Muamalat, and spiritual values can lead towards participatory and disciplined business approach through excellent leadership. As an example, hitherto, the motivation to provide only Shariah approved sources of financing in the Malaysian financial market is great incentive to guide Islamic finance towards success and the much needed fairness. Supporting our assertion in this study, the Islamic strategy effort being employed to reduce frauds in a society with great potentials is the use of institutional approach (Iqbal, 2002). Through spiritual code of conducts, the board directs firms and personnel towards understanding the vision of the firms and how they are going to achieve success in their fiduciary duties in both this world and the hereafter. Another additional support on this position, caliph Umar Ibn al-Khattab (r.a) emphasized the meaning of 'guiding' when he addressed new appointed governors to head state affairs. He cautioned them against being rulers and despots; they should rather be "leaders of guidance" to win the loyalty of their followers. He admonishes them to render unto the Muslims their rights, lest you humiliate them. Do not shut your doors against them, lest the strong among them devour the weak ones (Husaini, 1958). Thus, the intelligible message of Umar (r.a) is clearly for leaders to help the society towards living in happiness. As an implication for practice, institutions can understand that the essence of the scheme is to have stability in the financial system, improve the living condition of the poor, and to guide people towards success in this life and in the hereafter.

Consequently, man has to run all his individual and collective affairs according to the spiritual code of conduct and also according to the guidance received from Allah (SWT) through the messengers as revealed in the holy book. From the research output, a code of conduct for all stakeholder activities both in business and otherwise should be based on high spiritual values. Thus, business activity is considered a part of the vicegerent status. With this contention, the Qur'an considers the whole life as one fully integrated unit and hence no division between religion (Shariah

spirituality) life, economics (or worldly business) life and day to day life (Toor, 2011). Hence, the socio-economic legal, cultural and all aspects of human life are integrated. They are all guided by the same basic principles and have the same ultimate purpose. The Holy Quran is specific about maintaining a balanced life between the hereafter and this life.

"But seek, with the (wealth) which God has bestowed on thee the Home of the Hereafter nor forget thee portion in this world but do thou good as God has been good to thee, and seek not (occasion for) mischief in the land: For God loves not those who do mischief" (28:77).

Finally, this study would have provided more convincing arguments if strong theoretical framework were established to explain the somewhat ambiguous spirituality construct. However, it serves as a pioneer attempt. Being a conceptual paper, there is room for improvement as it is difficult to see studies that specifically focus on explaining spirituality in financial criminology. Hence, the study claims to explore as a new research agenda focused on compacting descriptions of divine Shariah spirituality to facilitate personnel behaviour. In addition, ideally it is very difficult to measure Man's spiritual attachment; therefore other dimensions of spirituality can be developed to come up with more reliable and valid arguments, and perhaps instruments can be designed to empirically test spirituality dimensions in various faiths in relations to financial criminology in future research.

In Islam, trade in all forms of practice must be clean and honest. If one carries it out according to the guidance of the Holy Scriptures of Qur'an and Hadith, one will see Allah's blessings that could even lead to amassing fabulous wealth. Indeed nine parts of ten of recommended livelihood lies in trade and commerce. The story of Abdulrahman Ibn Awf, a disciple (*sahaba*) of the Prophet tells us the wealth he amassed through legal trade. It is hoped that in dealing with financial fraud, legislation and law enforcement should not be so emphasized. Alternatively, we may begin to look at corrective preventive and restorative justice being applied to personnel that exhibit potential crime, rather than punitive justice, which merely consider the criminal as sole target. Furthermore, whereas the current study supports the reliability and validity of the Quranic and Hadith in relations to spirituality dimensions used, specific research with other faith groups will be needed to support the assertion that these verse are definitely relevant for persons from a variety of other religious traditions, particularly in a multi-religious Malaysian society. It will be important in this environment to assess groups who do not hold to a God concept (e.g., Buddhists, Hindus, Sikh), which has been a common thread for all groups studied to date regarding religious support (i.e., Jews, Muslims, and Christians). Moreover, there are many non-Muslim personnel and high ranking members at the top of decision-making. However, the current analysis and arguments has been skewed more towards Muslim faithful. But other faiths and non-God concepts, as another important yet understudied

religious group, represent a good preliminary step of future studies. In addition, despite this limitation, being one of the pioneering works in the field, this study contributes to our understanding of the much under-research subject of spirituality from the Islamic perspective in terms of its application to financial criminology and its possible impact on the effectiveness of the efforts to reduce financial crimes for sustainability.

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