Perception and Possibilities of the Malaysian Commission of the Registry of Societies Establishment

Mazlan Che Soh1, Radduan Yusof1*, Memiyanty Haji Abdul Rahim1, Norol Hamiza Zamzuri2, Hasliza Abdul Halim3, Lokman Effendi Raml1, Norhaslinda Mohd Sibi4, Norazam Mohd Noor5

* Corresponding Author

1 Faculty of Administrative Science and Policy Studies, Universiti Teknologi MARA, Malaysia
2 Faculty of Business and Management, Universiti Teknologi MARA, Malaysia
3 School of Management, University Sains Malaysia
4 Institute of Public Security of Malaysia, Ministry of Home Affairs, Malaysia
5 Implementation Coordination Unit, Prime Minister Department, Malaysia.

mazlan3161@uitm.edu.my, radduan@uitm.edu.my, memiyanty@uitm.edu.my, norol@uitm.edu.my, haslizahalim@usm.my, lokmaneffendi@moha.gov.my, haslinda.mohd@moha.gov.my, norazam@icu.gov.my
Tel: 0162035644

Abstract
This study investigates how autonomy, authority, accountability, and ability impact the perception of the proposed Malaysian Commission of the Registry of Societies (SPPM) among NGOs in Malaysia. This study fills the gap in the limited research on establishing the Commission from the perspective of the NGOs. A survey was administered, and 2229 individuals responded. Analysis was done using the Partial Least Squares Structural Equation Modelling (PLS-SEM). The study finds that autonomy and authority positively influence perception, while accountability and ability have an insignificant relationship. The study’s findings will aid policymakers, government officials, and stakeholders in establishing and managing the SPPM.

Keywords: Autonomy; Accountability; Authority; Ability.

1.0 Introduction
The registration of societies in Malaysia has been fraught with concerns about transparency and accountability. The proposed answer to this issue is to form the Malaysian Commission of the Registry of Societies (SPPM), which is expected to approach society registration in Malaysia independently and impartially. Currently, the Registry of Societies of Malaysia (ROS) of the Ministry of Home Affairs handles, among other things, the registration of non-governmental groups and political parties. The primary goal of ROS is to administer and enforce the Societies Act 1966 and Societies Regulations 1984 to control and supervise societies and ensure adherence to Malaysia's principles of peace, welfare, security, public order, decorum, and morality, as well as to manage and keep registration records of societies. The Malaysian Commission of the Registry of Societies, also known as Suhanjaya Pendaftaran Pertubuhan Malaysia in
Bahasa Malaysia, has been presented to promote transparency and accountability in Malaysia’s society registration process. The move from a direct control arm-length agency, such as the ROS, to a free and independent commission would impact the agency’s relationship with the central government. As mentioned in this study, the Commission’s efficacy may be determined by various elements, including autonomy, authority, accountability, and ability.

While various studies have investigated the factors that determine the efficiency of regulatory bodies (Ruvalcaba-Gomez & Renteria, 2019; Endut et al., 2020; Syed et al., 2020), further research is needed on the proposed SPPM. There is a void in the literature discussing the relationship between autonomy, authority, accountability, ability, and the perception of the proposed SPPM in the Malaysian context. Furthermore, it is necessary to identify the significant variables that contribute to the effectiveness of the proposed SPPM from the perspective of the non-governmental organisation. Addressing these deficiencies will provide vital insights into the viability of the proposed SPPM. It may assist policymakers and stakeholders in their decision-making processes. As a result, this study aims to investigate the relationship between autonomy, authority, accountability, and ability towards the public perception of the SPPM's establishment through a public perception study.

2.0 Literature review

Non-governmental organisations and political parties are overseen by the Ministry of Home Affairs’ Registrar of Societies of Malaysia (ROS) department. Section 2 of the Societies Act 1966 defines a society as any club, partnership, or association of seven (7) or more individuals, regardless of its nature or purpose, whether temporary or permanent, but excluding bodies required to be registered under any written law, such as companies, cooperatives, trade unions, parent-teacher associations, sports bodies, and others. The department’s primary function is to administer and enforce the Societies Act 1966, the Societies Regulations 1984, and society-related policies; to control and supervise societies to ensure they do not jeopardise Malaysia’s security, welfare, safety, public order, or morality; and to manage and keep records of registrations related to registered societies and their branches. In 2023, feasibility studies were conducted to build a commission-based registration for society. Part of the feasibility research focuses on how NGOs and NPOs perceive ROS autonomy, authority, accountability, and competency.

Government agency autonomy is crucial to achieving successful regulatory oversight and a critical component of regulatory governance in determining the performance and legitimacy of regulatory bodies. Autonomy refers to the degree of freedom an agency has to make decisions and perform its functions independently, without excessive interference from external sources (Verhoest et al., 2004). Research has consistently established a beneficial relationship between autonomy and the efficacy of regulatory organisations (Parker & Kirkpatrick, 2012; Kim & Cho, 2015). Regulatory commissions can function impartially and transparently when given a high amount of autonomy, increasing their credibility and legitimacy. In contrast, a lack of autonomy might endanger the impartiality and transparency of regulatory processes owing to external intervention (Ncukwe & Adejuwon, 2014). This involvement can impair the independence of regulatory judgments, resulting in suboptimal outcomes and diminishing public trust in the regulatory system. According to Wockelberg and Ahlbäck Öberg (2022), increasing levels of autonomy lead to less collaboration with other entities, emphasising the significance of agency independence in decision-making.

The autonomy of government agencies often includes institutional, budgetary, and operational components. Institutional autonomy refers to an organisation's structure and power, while financial autonomy focuses on budgetary control and revenue creation (Verhoest et al., 2004; Vö and Löfgren, 2019). Operational autonomy entails protecting against political intervention and guaranteeing independence in appointing and dismissing agency members. Evidence indicates that robust formal and organisational safeguards of agency autonomy create good impressions of organisational interaction (Wockelberg, 2021). Agencies with increased budget autonomy are more likely to involve the public in resource allocation decisions and are generally more open to public input and comment (Neshkova, 2014). However, the influence of agency autonomy on organisational performance is complicated. Studies indicate varied results (Jinhai Yu, 2021).

On another note, research has consistently shown that regulatory bodies with more authority and jurisdiction are more effective in attaining their goals (Mirea, 2018). Authority is the power or right to implement regulations and hold offenders accountable (Verhoest et al., 2004; Mirea, 2018). It provides the power or right to make and enforce decisions that regulatory organisations are required to execute their mandates (Mirea, 2018) correctly. Authority enables regulatory organisations to enforce legislation and assure compliance, improving the overall effectiveness of regulatory frameworks. In Malaysia’s proposed SPPM, a high degree of authority would be critical in ensuring compliance with legislation governing the society registration process. A pragmatic factor of legitimacy, which emphasises the actual effectiveness and acceptance of regulatory judgments, is a critical element in the legitimation process (Sanchez, 2022). Regulatory bodies must have statutory authority and be recognised as legitimate by stakeholders to carry out their duties properly. Conversely, the public sector is frequently accused of being overregulated in terms of authority. Balancing authority and accountability is critical to prevent the misuse of power by state administrative agencies and personnel. Furthermore, the allocation of decision-making authority within government agencies substantially impacts performance accountability, particularly in smaller governments (Sapullette, 2022). Decentralising decision-making authority to other related party can improve responsiveness and accountability by bringing decisions closer to affected stakeholders.

Regulatory agencies are answerable to various stakeholders, including the public and the government. Accountability guarantees that regulatory agencies work in the best interests of society while maintaining public trust. However, an excessive emphasis on accountability can increase bureaucracy and limit flexibility, thus harming performance (Hunold, 2001; Papadopoulos, 2010). Manaf et al. (2023) emphasises the significance of establishing a balance between accountability and autonomy for regulatory organisations to be effective. They observe a favourable correlation between government service and accountability, underlining the need for regulatory
organisations to maintain influence while completing their tasks. Compliance with legislation, human resources competence, and clarity of budget goals are crucial factors influencing regulatory bodies’ effectiveness, as evidenced by the case of LAKIP in Indonesia (Eprianto, 2023).

A commission must have the skills and resources to carry out regulatory tasks effectively (Chingos et al., 2012; Fisk and Chermey, 2017). This skill is translated as the ability of government agencies, which refers to their competence and proficiency in carrying out their assigned activities. Studies have repeatedly found a favourable relationship between regulatory bodies’ efficacy and capacity to accomplish responsibilities competently. However, there is a gap in public faith in the government's ability to offer excellent services (OECD, 2019). In the context of the proposed Societies, the Commission must have the necessary competence and resources to carry out its duties properly and effectively. Several factors influence government agencies’ capacity to perform their functions effectively. Planning, human resource management, and infrastructural capacity are significant drivers that positively affect revenue generation (Mwombeki, 2022). Furthermore, there is a rising acknowledgement of the necessity for government agencies to engage in evidence-based policymaking to improve their ability to handle societal concerns (Newman, 2020). Capacity inside agencies and oversight institutions is crucial in increasing reaction to bad performance (Drolc, 2021). While agency capacity can improve responsiveness, the success of oversight systems requires strong agency capacity to enable proper monitoring and enforcement.

The public perception of government agencies, including the proposed Commission, is significantly influenced by autonomy, authority, accountability, and ability. These characteristics influence how citizens perceive regulatory agencies’ efficacy, transparency, and legitimacy. Perception is critical in determining the interaction between residents and government agencies. It has several elements: clarity and transparency, efficiency and effectiveness, independence and freedom, evaluation and monitoring, and professionalism and control (Alatalieva and Morelock, 2019; OECD, 2019). Clarity and transparency refer to how openly a government agency communicates its acts and processes to the public. Efficiency and effectiveness refer to the organisation's capacity to meet objectives and deliver services on time and with little resources. Independence and freedom imply a sense of autonomy and the absence of undue external influence. Evaluation and monitoring include the appraisal of performance and the organisation's responsiveness to feedback. While professionalism and control refer to the level of external oversight and influence over the organisation's decision-making processes. These characteristics shape public perception, influencing citizens' trust, confidence, and contentment with government organisations (Mirea 2018; Alatalieva & Morelock 2019; Ruvalcaba-Gomez and Renteria 2019).

3.0 Research Methodology

3.1 Research objective and hypotheses.
This study investigates the relationship between autonomy, authority, accountability, and ability towards public perceptions in forming the proposed Malaysian Commission of the Registry of Societies (SPPM) as illustrated in Figure 1. Hence, four hypotheses were established to achieve the objectives, which are:

H1: Autonomy of the SPPM positively influences the perception of the establishment of the Commission.
H2: The authority of the SPPM positively influences the perception of the establishment of the Commission.
H3: Accountability of the SPPM positively influences the perception of the establishment of the Commission.
H4: The ability of the SPPM positively influences the perception of the establishment of the Commission.

The study used a cross-sectional quantitative methodology and a survey tool to collect data from Malaysian society committee members and management representatives. To investigate the correlations between the variables of interest, the researchers employ a Partial Least Squares Structural Equation Modeling (PLS-SEM) technique.

3.2 Context and unit of analysis
The Google Forms survey was circulated with support from the Registry of Societies of Malaysia (ROS). To save resources and improve participation, each organisation's Chairman/President or Secretary received an email with the form’s URL link. The suggested sample
size was 10,000. A total of 155,661 emails were sent to 76,766 chairpersons and 78,785 organisation secretaries, but only 2,229 respondents accepted to participate in the survey. From that total, 227 survey forms were rejected due to insufficient data for all items in at least one variable, and 173 were discarded due to outliers discovered using boxplot analysis. Mean substitution was used to impute responses with missing items in a variable. The total number of survey forms used for the PLS-SEM analysis was 1,829.

3.3 Survey instrument
An online questionnaire has been designed for societies registered with the Registry of Societies of Malaysia (ROS). The questionnaire is provided in two languages: Bahasa Malaysia and English. It is organised into numerous parts: This study focuses on demographic statistics, the four variables - autonomy, authority, accountability, and ability, and the section that seeks to measure society's perception of forming the SPPM. The study questionnaires use Likert's 5-point scale, including options such as "strongly disagree," "disagree," "neutral," "agree," and "strongly agree". The questionnaire had a pilot test with 93 responses. The questionnaire items were derived from adopting and modified from previous research (Verhoest et al., 2004; Võ and Löfgren, 2019) and a rigorous thematic evaluation, which included in-depth interviews and focus group discussions conducted during the qualitative phase of a sequential mixed method analysis to ensure content validity.

3.4 Data Analysis
PLS-SEM in the SmartPLS programme was used to analyse data and determine hypotheses, while SPSS software performs descriptive statistics and ensures data integrity by avoiding missing values, outliers, and straight-lining responses. Partial least squares structural equation modeling (PLS-SEM) is an analysis technique for finding or building predictive (causal) model analysis between latent variables, and it is beneficial for exploratory research (Henseler et al., 2016). The PLS analysis is performed in two steps. In the first stage, a measurement model is created to assess convergent validity using outer loadings and average variance extraction. In addition to cross-loading, the Fornell-Larcker criterion and the Heterotrait-Monotrait evaluation were used to determine the discriminant validity and reliability of the study's components. The second phase entails developing a structural model to examine the linkages between the components and answer the research questions utilising the path coefficient and coefficient of determination (R²). The R² measures the proportion of variance explained by endogenous variables, with higher values indicating better fit. Higher R² values indicate a greater proportion of variance explained and suggest a better model fit. P-values determine the statistical significance of relationships between variables, with smaller values indicating more robust evidence against the null hypothesis. F², or f-squared, assesses effect sizes, showing the proportion of variance in an endogenous variable explained by an exogenous variable. These metrics collectively aid in evaluating model fit and the strength of relationships within the PLS-SEM framework. It employs the PLS algorithm and bootstrapping to execute the repetitive sampling to derive part coefficients and significance between the dimensions or variables (Hair et al. 2017).

5.0 Result and Discussion

5.1 Descriptive statistic
The acquired data was first analysed using SPSS 21 software. The Charity Association had the most responses (28.5%), followed by the Social Association (25%) and the Recreation Association (1%). The remaining responders came from various associations in a smaller proportion. Most associations contain 100 to 499 persons (29%) and fewer than 25 members (22.5%), followed by 50-99 members (19.6%) and 25-49 members (17.6%), with the other associations having a minor fraction. In terms of location, the majority of respondents were from Selangor (21.9%) and Kuala Lumpur (11.9%), followed by Johor (8.9%), Perak (7.8%), Sabah (7.7%), and Others in other states with lower amounts. Most respondents (51.9%) work as assistant secretaries, while the Chairman accounts for 32.1%. Finally, over half of them served on a committee for their association for one to five years, with 20% serving for six to ten years.

5.2 Measurement model assessment
Each item's factor loading is evaluated to establish its reliability. Hair et al. (2017) define reliability as having a threshold value of 0.7 or higher for each item's loading. Table 1 shows that all the items in this study meet the usual requirements for cross-loading. Furthermore, Cronbach's Alpha and composite reliability scores should equal or exceed 0.7. Based on Table 1, we can see that all constructs are dependable and meet the criteria.

Furthermore, the average variance extracted (AVE) is defined as the grand mean value of the squared loadings of construct-related items, and it is the standard metric for determining convergent validity. A score of 0.5 or higher for the AVE indicates that the construct explains more than half of the variance of its elements (Hair et al. 2017). As indicated in Table 1, Cronbach's Alpha and composite reliability values are better than 0.7, whereas AVE values are greater than 0.5. Thus, the constructs' convergent validity has been established.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Items</th>
<th>Loadings</th>
<th>Cronbach’s Alpha</th>
<th>Composite reliability</th>
<th>Average Variance Extracted</th>
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<tbody>
<tr>
<td>AUTONOMY</td>
<td>AUTO1</td>
<td>0.852</td>
<td>0.965</td>
<td>0.969</td>
<td>0.724</td>
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<td></td>
<td>AUTO2</td>
<td>0.862</td>
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<td>AUTO3</td>
<td>0.907</td>
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<td></td>
<td>AUTO4</td>
<td>0.908</td>
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Table 1: Measurement model Result
Cross-loadings, the Heterotrait-Monotrait Ratio, and the Fornell-Larcker criterion should all be investigated to demonstrate discriminant validity. According to the Fornell-Larcker criterion, the square root of AVE (diagonal value) for each variable must surpass the correlation of latent variables (Henseler, Ringle, & Sarstedt, 2015), which is met in the current study, as shown in Table 2. Regarding cross-loadings, each indicator’s loading should be greater than the indicators for its corresponding variables. Based on Table 3, we can see that the cross-loading criteria is met. Regarding the Heterotrait-Monotrait ratio (HTMT), the suggested thresholds of the value of HTMT should be less than 0.85 or 0.90 is used (Henseler et al. 2016). Table 4 shows that the HTMT requirement is met, indicating that discriminant validity has been proven.

<table>
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<th>Table 2. Fornell-Larcker Criterion Result</th>
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<td>ABILITY</td>
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<td>ABILITY</td>
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<td>ACCOUNTABILITY</td>
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<td>AUTHORITY</td>
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<td>AUTONOMY</td>
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<th>Table 3. Cross Loading Results</th>
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<tr>
<td>ABILITY</td>
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<td>ABIL1</td>
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<td>ABIL2</td>
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<td>ABIL3</td>
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<td>ABIL4</td>
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<td>ACC01</td>
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<td>ACC06</td>
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<tr>
<td>ACC07</td>
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<tr>
<td>AUTO1</td>
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<td>AUTO10</td>
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<td>AUTO11</td>
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<td>AUTO12</td>
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<td>AUTO2</td>
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The study's findings provide vital insights into how autonomy, authority, accountability, and ability influence public perception of the SPPM's formation. First, autonomy is a substantial predictor of public perception, with a moderately positive association. This shows that as the SPPM develops greater independence and decision-making authority, the public view of the regulatory body improves. Similarly, authority has a strong positive relationship with perception, implying that as the SPPM's capacity to enforce regulations grows, so does public trust and confidence in its effectiveness. However, the study found no significant association between accountability and public perception, implying that, while accountability is necessary, it may not significantly influence how the public perceives the SPPM. Furthermore, the data shows that the SPPM's ability to carry out its functions has no substantial impact on public perception. Overall, the findings show the importance of autonomy and authority in building public trust and confidence in regulatory governance, emphasising the need for regulatory organisations to act independently and have adequate power to implement legislation properly.
6.0 Conclusion, Limitation & Recommendations

This research aims to determine how autonomy, authority, responsibility, and ability influence Malaysian NGOs’ perceptions of the projected establishment of the Malaysian Commission of the Registry of Societies (SPPM). It is to better understand the elements that impact people’s perceptions of the planned SPPM. The establishment of the Commission aims to promote accountability and transparency in Malaysia’s society registration system. The findings indicate that autonomy has a substantial and favourable impact on perceptions of the formation of the Malaysian Commission of the Registry of Societies (SPPM). Previous research has found a link between autonomy and organisational perception of advancements.

The public’s opinion of regulatory agencies, such as the planned SPPM, is critical for various reasons. For starters, good perceptions increase trust and confidence in the regulatory framework, which improves the SPPM’s legitimacy and effectiveness. This trust is critical for securing public support and cooperation, which are required for the SPPM to achieve its goals efficiently. Furthermore, public opinion influences the execution of regulatory policies, with positive impressions increasing acceptance and support for regulatory measures. In contrast, wrong views might lead to widespread opposition, impeding policy implementation. Furthermore, public opinion serves as a feedback mechanism for regulatory organisations, identifying areas for improvement while guaranteeing accountability and transparency in decision-making processes. As a result, analysing and addressing public views is critical for increasing the SPPM’s effectiveness, legitimacy, and accountability in managing societies and promoting welfare.

Furthermore, this study found that authority has a substantial and favourable association with perception, which is consistent with previous studies. On the other hand, the results of this study indicate that accountability and ability have no significant association with perception. These results contradict previous findings, which could be attributed to cultural effects and data from a narrow geographic area. Furthermore, Malaysia has a strong feeling of multiculturalism and self-development, which may discourage its citizens if these
factors influence their attitudes. This study will provide insight into the key concerns that must be addressed while establishing commissions in Malaysia and other public sectors worldwide. The study's findings could be helpful for policymakers, government officials, and other stakeholders involved in establishing and operating the planned Malaysian Commission of the Registry of Societies.

This study contains a few limitations and recommendations. Initially, this study empirically examined the characteristics that influence the perception of the anticipated Malaysian Commission of the Registry of Societies establishment. Furthermore, this study did not investigate the impact of perception elements as moderators or mediators. However, future research might delve into the impact of culture on the linkages between the study's components. Qualitative research employing focus group discussions and interviews with other government agencies, regulatory actors, existing commissions, and NGOs can also be utilised in research to obtain more in-depth information. Similarly, this study collected cross-sectional data; future research can incorporate longitudinal data to draw more exact results.

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Paper Contribution to Related Field of Study
The finding of this study was part of the feasibility studies on the proposal by the ROS under the jurisdiction of the Malaysia Ministry of Home Affairs on the establishment of the Malaysian Commission of the Registry of Societies. The findings aid the ROS in streamlining the decision to establish the SPPM. This paper is also helpful to policymakers, government officials, and other stakeholders engaged in establishing and managing the proposed Malaysian Commission of the Registry of Societies. Theoretically, this paper envisages and enriches the meaning and the perception of autonomy, authority, accountability, and ability of free and transparent commissioners in Malaysian settings.

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