

ABSTRACT

This paper explores factors that may influence employee to misbehave in an organizational context. Employee misconduct is one of the dilemmas that have long existed. Punch (1996) stressed that this issue has been condoned until its reach a critical level in an organization. Only few studies have investigated the issue in the past. The factors studied for this paper are Human Resource Management (HRM) Practices, Procedural Justice, Ethical Behavior of Self and Ethical Behavior of Co Worker.

The discussions were divided into several parts. First, the relationship between HRM Practices and Procedural Justice were examined and the result indicates a positive relationship between the variables. Second, HRM practices relationship against Employee Misconduct was tested, and it was supported as hypothesized. Third, Procedural Justice mediating effect between HRM Practices and Employee Misconduct were examined and it does mediate the relationship between two of HRM practices with Employee Misconduct. Lastly, Ethical Behavior of Self and Co Worker moderating effects between Procedural Justice and Employee Misconduct were tested and its do moderate those relationship.

As a conclusion, most factors studied are conducive to employee misconduct at workplace. The outcome of this behavior is important to understand the circumstances that lead to the misbehavior, in order to enable necessary corrective measures to be upheld in tackling the misbehavior dilemma.

ACKNOWLEDEMENTS

IN THE NAME OF ALLAH, THE MOST GRACIOUS AND MERCIFUL

Alhamdulillah, grateful thanks to *Allah S.W.T* for blessing me with an extraordinary strength, passion and patience throughout the journey of completing this research project.

I would like to extend my greatest appreciation to my lovely advisor, Associate Professor Dr. Sharifah Latifah Syed A.Kadir for her precious guidance, constructive comments, valued suggestions and support during the course of this project.

My deepest appreciation goes to my mom, Siti Aishah S.Syed for being a source of inspiration throughout my life, from day one till this moment. This is a special tribute for her unconditional love, encouragement and for holding me up in prayers.

At last but not least, millions sincere thanks to my siblings, friends and colleagues for their continuous moral support.

Ultimately, thanks to all of the respondents for their willingness to participate in this survey. Your cooperation is highly appreciated, thank you so much.