THE IMPACT OF MANAGEMENT PRACTICES AND EMPLOYEE INVOLVEMENT ON ORGANIZATION FINANCIAL PERFORMANCE: THE CASES OF GLCs IN MALAYSIA

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THE IMPACT OF MANAGEMENT PRACTICES AND EMPLOYEE INVOLVEMENT ON ORGANIZATION FINANCIAL PERFORMANCE: THE CASES OF GLCs IN MALAYSIA

By

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ABSTRAK


Kata kunci: syarikat berkaitan kerajaan (SBK), amalan pengurusan, keberkesanan kumpulan, ganjaran dan penghargaan, prestasi kewangan syarikat.
ABSTRACT

In Malaysia, Government-Linked Companies (GLCs) are state-owned organizations. GLCs contribute approximately 16-18% of the nation’s gross capital formation and 9-10% of national Gross Domestic Product (GDP). GLCs are vital to the economy, thus an understanding of the changes that this type of organization is going through is definitely important and necessitate intensive research. Hence, this study intends to investigate a particular issue with regard to this industry which is quality management and in which more specifically, this study will explore the relationship between management practices and employee involvement towards organization financial performance in three GLCs namely; TNB, TM and Maybank. The questionnaires are sent to executives in three GLCs within the vicinity of Klang Valley and a total of 282 questionnaires were analyzed using Statistical Package for Social Sciences (SPSS). The results indicated that management practices and employee involvement are positively correlated with organization financial performance. The multiple regression result shows that both independent variables are a significant predictor for organization financial performance. The recommendation here is that management should seriously look into the role of management practices and employee involvement towards the success of financial performance.

Keywords: government-linked companies (GLC), management practices, team effectiveness, communication, rewards and recognition, organization financial performance.
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<th>Description</th>
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<td>E&amp;U</td>
<td>Energy and Utilities Division</td>
</tr>
<tr>
<td>GLC</td>
<td>Government-Linked Company</td>
</tr>
<tr>
<td>KNB</td>
<td>Khazanah Nasional Berhad</td>
</tr>
<tr>
<td>Maybank</td>
<td>Malayan Banking Berhad</td>
</tr>
<tr>
<td>ROA</td>
<td>Return on Asset</td>
</tr>
<tr>
<td>ROE</td>
<td>Return on Equity</td>
</tr>
<tr>
<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
</tr>
<tr>
<td>TM</td>
<td>Telekom Malaysia Berhad</td>
</tr>
<tr>
<td>TNB</td>
<td>Tenaga Nasional Berhad</td>
</tr>
<tr>
<td>TQM</td>
<td>Total Quality Management</td>
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CHAPTER 1

INTRODUCTION

1.1 Background of the Study

1.1.1 Government-Linked Companies (GLCs)

Due to some limitation regarding GLCs in other countries, this part focuses on GLCs in Singapore. By definition, GLCs are companies in which some shares are owned by the government. Like all commercial entities, GLCs also produce and sell goods as well as services in a competitive market environment. GLCs account for a significant proportion of the Singapore economy and the stock market. Singapore established its GLCs in key industries after independence in 1965, but simultaneously offered incentives for foreign multinational companies (MNCs) to set up operations and regional headquarters in Singapore. The government saw both GLCs and MNCs as essential to providing the lift for Singapore's economic take-off. Most of these companies were established in the 1960s and 1970s, primarily to facilitate Singapore's economic development in specific sectors. In the 1980s and 1990s, GLC were formed mainly from the corporatization of former government departments and statutory boards.

The GLCs’ reach is wide, and includes Singapore’s national airline (Singapore Airlines); two leading telecommunications operators (SingTel and ST Telemedia); south-east Asia’s biggest banking group (DBS); the main shipyards (Keppel and SembCorp); the port operator (PSA); a shipping company (Neptune Orient Lines), and a number of other businesses. GLCs account for nearly half of the 20 largest listed companies and 41% of
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REFERENCES


