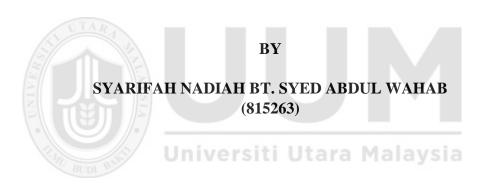
The copyright © of this thesis belongs to its rightful author and/or other copyright owner. Copies can be accessed and downloaded for non-commercial or learning purposes without any charge and permission. The thesis cannot be reproduced or quoted as a whole without the permission from its rightful owner. No alteration or changes in format is allowed without permission from its rightful owner.



RELATIONSHIP BETWEEN EFFECTIVESS OF POLITICAL SYSTEM AND GOOD GOVERNANCE PRACTICES: A CASE STUDY IN ALOR SETAR



Thesis Submitted to the Ghazali Shafie Graduate School of Government,
Universiti Utara Malaysia
In Fulfilment of the requirement for the Degree Master of Public Management



PERMISSION TO USE

In presenting this Project Paper in partial fulfilment of the requirement for a postgraduate degree from Universiti Utara Malaysia, I agree that the university library may make it freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor(s) or, in their absence by the Dean of Ghazali Shafie Graduate School of Government. It is understood that any copying or publication or use of this thesis parts thereof for financial gain shall be given to me and the Universiti Utara Malaysia for any scholarly use which may be made of any material from my project paper. Request for permission to copy or to make other use of material in this project paper, in whole or in part should be addressed to:

Dean of Ghazali Shafie Graduate School of Government

College of Law, Government and International Studies

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

Malaysia

ABSTRACT

Governance is a major problem in the reform of state administration. Good governance can give meaning and implications of the different within an administration and has developed among the developing countries where the political system is stable and has a competitive market. There are various views on governance Rhodes, 2007 (in Anne Mette Kjaer, 2011) believes that good governance is categorized into three main dimensions. First, the dimension of political processes and governance aspect of the legality of government, the political element of government accountable and responsible, respect for human rights and the rule of law (Caluser & Weber, 2007). Despite various efforts and measures taken by the government, but the perception of good and excellent of governance Malaysia is still at an unsatisfactory level. Accordingly, the study will examine the relationship of the political system and governance as a research problem. Thus, the research is to find the perception of relationship between effectiveness of political system and good governance practices in the administrative of Kedah which focuses in Alor Setar.

Keywords: Perceptions, Realtionship, Good Governance, Political System

ABSTRAK

Tadbir urus merupakan masalah utama dalam pembaharuan pentadbiran negeri. Tadbir urus yang baik boleh memberi makna dan implikasi yang berbeza dalam pentadbiran dan telah berkembang di kalangan negara-negara membangun di mana sistem politik adalah stabil dan mempunyai pasaran yang kompetitif. Terdapat pelbagai pandangan mengenai tadbir urus seperti Rhodes, 2007 (dalam Anne Mette Kjaer, 2011) percaya bahawa tadbir urus yang baik dikategorikan kepada tiga dimensi utama. Pertama, dimensi proses politik dan aspek tadbir urus kerajaan, unsur tanggungjawab politik dan kerajaan, menghormati hak asasi manusia dan kedaulatan undang-undang (Caluser & Weber, 2007). Walaupun pelbagai usaha dan langkahlangkah yang diambil oleh kerajaan, tetapi persepsi bagi tadbir urus baik di Malaysia masih di tahap yang tidak memuaskan. Oleh itu, pengkaji mengenal pasti masalahmasalah sistem politik dan tadbir urus tersebut dengan menjadikan sebagai masalah penyelidikan. Oleh itu, kajian ini adalah untuk mencari hubungan melalui persepsi tentang keberkesanan sistem politik dan urus tadbir baik dalam pentadbiran yang memberi tumpuan di Alor Setar.

Universiti Utara Malaysia

Kata Kunci: Persepsi, Hubungan, Urus Tadbir Baik, Sistem Politik

DEDICATION

This project paper is dedicated to my beloved daughters. Both of you have always been in my heart and soul, forever and ever. This journey would not have been possible without your spirit and inspiration.

To my mother, who always encouraging. May the principles and insights contained in this journey bring me clarity, balance, focus, and confidence to help me accomplish greatest dreams and create a meaningful transformation in my life.

May Allah bless all of us. All praise due to Allah SWT indeed.

ACKNOWLEDGEMENTS

In the Name of Allah, the Most Gracious and the Most Merciful.

Alhamdulillah, all praises to Allah for the strengths and His blessing in completing this project paper.

First and foremost, I would like to express my sincere gratitude to my supervisor Dr. Rozita Arshad for the continuous support of my project paper and my study, for her patience, insightful comment, and immense knowledge. My sincere thanks to her for encouraging, inspiration, motivation and enthusiasm.

I extand my gratitude for the Government of Kedah, on the initiative to provide data and fulfil the research. Special thanks also goes to all Kedah Civil Service especially in Alor Setar departments for their cooperation while distribute the questionnaires.

Jazakumullahu khairan katsira.

TABLE OF CONTENTS

IIILE PAGE	1
CERTIFICATION OF THESES WORK	ii
PERMISSION TO USE	iii
ABSTRACT	iv
ABSTRAK	v
DEDICATION	vi
ACKNOWLEDGEMENT	vii
TABLE OF CONTENTS	viii
LIST OF TABLES	xi
LIST OF FIGURES	xii
LIST OF ABBREVIATION	xiii
CHAPTER ONE	
1.0 Introduction	
1.1 Definition	1
1.2 Research Background	3
1.3 Problem Statement	5
1.4 Research Question	14
1.5 Objectives	15
1.6 Significant of Discussion	15
1.7 Conceptua Definition	16
1.7.1 Political & Administration Structure	17
1.7.2 Good Governance	18
1.8 Operational Definition	20
1.9 Theoretical Framework	22
1.9.1 System Theory	23
1.10 Study Framework	26
1.11 Study Scope	27
1.12 Chapter Division	28

1.13 Conclusion	29
CHAPTER TWO	
2.0 Introduction	30
2.1 Dimensions Of Governance	30
2.2 Political System	36
2.2.1 Legislators	38
2.2.2 Executive Members	40
2.2.3 Judiciary	42
2.3 Conclusion	43
CHAPTER THREE	
3.0 Introduction	44
3.1 Study Plan	45
3.2 Research Instrument	45
3.2.1 Population	45
2.2.2 Sample	46
3.2.3 Questionnaire	47
3.3 Sampling Techniques	50
3.4 Sampling Method	50
3.5 Source of Data	51
3.6 Data Analysis	51
3.7 Conclusion	52
CHAPTER FOUR	
4.0 Introduction	55
4.1 Reliability Test	55
4.2 Respondents' Demographic Descriptive Analysis	57
4.3 Descriptive Analysis Of Independent Variables	59
4.4 Descriptive Analysis Of Dependent Variables	61
4.5 Inferential Analysis	68
4.6 Regression Analysis	73

4.7 Conclusion	75
CHAPTER FIVE	
5.0 Introduction	76
5.1 Discussion	77
5.2 Suggestion	79
5.3 Recommendation For Future Research	79
5.4 Conclusion	80
REFERENCES	81
APPENDIX I	87
ST UTARA	
APPENDIX II	90
Universiti Utara M	alaysia

List of Table

Table 1.0: Elements in Political System and Good Governance	21
Table 3.1: Table determining sample size base on population	47
Table 3.2 Info on questionnaire	48
Table 4.1: Value of Cronbach Alpha	56
Table 4.2: Reliability Based on Item (n=86)	56
Table 4.3: Descriptive Analysis of Demographic	58
Table 4.4: Descriptive Analysis of Independent Variable	60
Table 4.5: Political system and transparent	61
Table 4.6: Political system and rules and regulations	62
Table 4.7: Political system and responsive to public demand	63
Table 4.8: Political system and accountable to public	64
Table 4.9: Political system and follow process efficiently	65
Table 4.10: Political system and empower citizens participation	66
Table 4.11: Political system and equality	67
Table 4.12: Pearson Correlation Matrix	69
Table 4.13: Correlation Variable of Legislator and Good Governance	69
Table 4.14: Correlation Variable of Judiciary and Good Governance	70
Table 4.15: Correlation Variable of Executive Members	71
and Good Governance	
Table 4.16: Summary of Correlation Result Analysis	72
Table 4.17 : F Test	73
Table 4.18: R-square Analysis	74

List of Figures

Figure 1.0: Theoretical System	23
Figure 1.1 Theoretical perspective of governance according to WGA	24
Figure 1.2 Study Model of Governance in Malaysia	25
Figure 1.3 Governance model based on Systems Theory	25
Figure 1.4 Conceptual Model of Good Governance	26
Figure 2.1: Good Governance Principles	35
Figure 3.0: An Interactive Model of Research Design	53
Figure 3.1: Theoretical Framework University Utara Malaysia	55

List of Abbreviations

BEIM Business Ethics Institute of Malaysia

BN Barisan Nasional

CPI Corruption Perception Index

DAP Democratic Action Party

Gerakan Parti Gerakan Rakyat Malaysia

IDEAS Institute for Democracy and Economic Affairs

ICGMM International Conference Global Movements Moderate

ISA Sedition Acts and Internal Security Act

MCA Malaysian Chinese Association

MIC Malaysian Indian Congress

NGO Non-government Organization

OECD Organisation for Economic Co-opeartion and Development

ODI Open Data Institute

PAS Parti Islam Se-Malaysia

PKR Parti Keadilan Rakyat

SPSS Statistical Package of Social Science

UMNO United Malays National Organization

UNESCAP United Nations Economic and Social Commission

UN United Nations

UNDP United Nations Development Programme

WCY World Competitive Yearbook

WGA World Governance Assessment



RELATIONSHIP BETWEEN EFFECTIVESS OF POLITICAL SYSTEM AND GOOD GOVERNANCE PRACTICES: A CASE STUDY IN ALOR SETAR

CHAPTER 1

INTRODUCTION

1.1 **DEFINITION**

Governance is the main factor of reformation in any administration specifically in government administration. Good governance can give different meaning and implication in the context of national administration worldwide. Governance has already blooming among developing country whereby their political system stable and have a very competitive market. There are many points of view on governance. Iniversiti Utara Malavsia Rhodes, 2007 (in Anne Mette Kjaer, 2011) saying that good governance can be categorized into three significant dimension which the first of all is social dimension. Social dimension is referring to construction, strength and establishment of institution democratically including toleration for a whole community. Next, economic dimension which consist of matters such as transparency of government account, effective management of public resources and favorable environment for non-government sector's activity. The third dimension is political processes and authority which consist of government legality aspect, the element of government politic which is accountable, responsible, fulfill human rights and the rule of laws (Caluser & Salagean, 2007). The purpose of this study research is focusing on

The contents of the thesis is for internal user only

References

- Anderson, R.C., Mansi, S.A., Reeb, D.M., 2004. Board characteristics, accounting report integrity, and the cost of debt. Journal of Accounting and Economics 37 (3): 315–342.
- Appelbaum, S., Vigneault, L., Walker, E. & Shapiro, B. 2009.(Good) corporate governance and the strategic integration of meso ethics. *Social Responsibility Journal* 5(4): 525-539.
- Ashbaugh, H., Johnstone, K.M. & Warfield, T.D. 1999. Corporate reporting on the internet, *Accounting Horizons* 13(3): 241-258.
- Bliss, M and Balachandran, J. 2003. CEO Duality, Audit Committee Independence and Voluntarydisclosures in Malaysia. Paper presented at the International Conference on Quality FinancialReporting and Corporate Governance-Building Public Trust, Integrity and Accountability. KualaLumpur, Malaysia: 1-27.

Universiti Utara Malaysia

Chau, K.G. & Gray, J.S. 2002. Ownership structure and corporate voluntary disclosure in Hong Kong and Singapore. *The International Journal of Accounting* 37: 247-265.

- Chiang, H., 2005. An Empirical Study of Corporate Governance and Corporate Performance. *Journal of American Academy of Busines*6: 95-101.
- Claessens, S & Fan, JPH 2002. Corporate governance in Asia: A survey.

 *International Review of Finance 3(2): 71-103.
- Cooper, S. 2004. *Corporate Social Performance: A Stakeholder Approach*. England:

 Ashgate Publishing Limited. Finance Committee on Corporate Governance.

 1999. *Report On Code Of Corporate Governance*. Kuala Lumpur: Securities

 Commission.
- Cooper, D.R.& Schindler, P.S. 2003. Business Research methods. Ed. Ke-8. New York USA: The Mc Graw Hill Companies, Inc.
- Creswell, J. 1994. *Research design qualitative and quantitative approaches*.

 Thousand Oaks, California: Sage Publication.
- Daniel E.I Gberevbie & Stephen A. Lafenwa, 2007. *Political Culture and good*governance in Nigeria. Ago-Iwoye of Social and Behaviour Journal Sciences:

 Vol 2, No. 1
- David Easton, 1957. An approach to the analysis of political system. World Politics

 Vol. 9: 383-400. The John Hopkins University Press

Earnings in East Asia. Journal of Accounting and Economics 33:401-425.

- Ettredge, M., Richardson, V.J. &Scolz, S. 2002. Dissemination of information for investors at corporate web sites. *Journal of Accounting and Public Policy* 21: 357-369.
- Fan, J. and T. Wong, 2002. Corporate Ownership Structure and Informativeness of Accounting.
- Fisher, J. 2004. Social responsibility and ethics clarifying the concepts. *Journal of Business Ethics* 52: 391-400.
- Gabriel Abraham Almond & James Smoot Coleman, 1970. The politics of developing areas. *Princeton University Press: New Jersey*.
- Gaskell, G. 2000. Individual and group interview. In *Qualitative Researching With Text, Image And Sound*, edited by. G. Bauer, G. London: Sage Publication.
- Gibson, M.S., 2003. Is Corporate Governance Ineffective in Emerging Markets?

 Journal of Financial and governance and board effectiveness.", *Journal of financial and Quantitative Analysis* 38(1):231-250.
- Goran Hyden, Kenneth Mease, Marta Foresti& Verna Fritz, 2008. Governance assessments for local stakeholders: What the world governance offers. Woking Paper Overseas Development Institute III, Westmister.

- Gray, S. J. 1988. Towards a theory of cultural influence on the development of accounting systems internationally. *Abacus* 24(1): 1–15.
- Gul, F. A., & Leung, S. 2004. Board leadership, outside directors' expertise and voluntary corporate disclosures. *Journal of Accounting and Public Policy* 23: 351–379.
- Hambrick, D.C. and P.A. Mason, 1984. Upper Echelons: The Organisation as a Reflection of its Top Managers. *Academy of Management Review* 9(2): 193-206.
- Haniffa, R.M. & Cooke, T.E. (2002) Culture, corporate governance and disclosure in Malaysia corporations, *Abacus* 38: 317-349.
- Hashim, H.A. & Devi, S 2008. Board characteristics, ownership structure and earnings quality: Malaysian evidence. *Research in Accounting in Emerging Economies* 8: 97-123.
- Healy, P. &Palepu, K. 1993. The effect of firms' financial disclosure strategies on stock prices. *Accounting Horizons* 7: 1-11.
- Ho, S.S.M., Wong, K.S., 2001. A study of the relationship between corporate governance structures and the extent of voluntary disclosure. Journal of International Accounting, Auditing and Taxation 10: 139–156.

- Hyden, G &Elgstrom, 2002. Development and democracy. What have we learned and how? *Journal of Routledge, London*.
- Hyungwook, Y., Hangjung Z. & Andrew, P.C. 2011. Does XBRY adoption reduce information asymmetry? Journal of Business Research 64 (2).
- Ibrahim, H & Abdul Samad, F 2011. Corporate governance mechanisms and performance of public listed family ownership n Malaysia. *International Journal of Economics and Finance* . 3(1):105-115.
- Jensen, M.C., & Meckling, W. H. ,1976. Theory of the firm: managerial behavior, agency costs and ownership structure. *Journal of Financial Economics* 3: 305–360.
- Mahmood Nazar Mohamed danSabithaMarican, 1995.

HubunganManusiaDalamOrganisasi. Kuala Lumpur :Utusan Publications & Distributors Sdn. Bhd.

- Malaysian Code of Corporate Governance. 2000. Kuala Lumpur: Securities Commission.
- Malaysian Code of Corporate Governance: Revised. 2007. Kuala Lumpur: Securities Commission.

Monica Caluser, Mariana Salagean. 2007. Good Governance in Multiethnic

Communities: Conditions, Instruments, Best Practices, Ways to Achieve and

Measure Good Governance at the Local Level. Ethnocultural Diversity

Resource Center. Indiana Universit.

Payne, D. & Landry, B. 2005. Similarities in business and IT professional ethics: the need for and development of a comprehensive code of ethics. *Journal of Business Ethics* 62(1): 73-85.

Uma Sekaran, 1992. Research method for business: A skill-building approach. *John Wiley & Sons INC, Southern Illinois University*

SuruhanjayaSekuriti Malaysia. (2000). Jawatankuasa Kewangan Tadbir Urus Korporat.

Mohammad Diah Haji. 2010. Pembudayaan Integriti – Isu dan Cabaran dalam *Politik – Isu-Isu Integriti 2000 – 2008*. Utusan Publications and Distributers.

Universiti Utara Malaysia

UcapanPelantikanSebagaiKetua Hakim Negara Malaysia Yang KeduaBelas, 29 Oktober 2008).

Laporan HakAsasi Manusia. 2010.