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**GOOD CORPORATE GOVERNANCE PRACTICES AND THE
IMPACT ON THE PERFORMANCE OF UUM'S HOLDINGS
COMPANY**

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**MASTER OF SCIENCE
(INTERNATIONAL ACCOUNTING)
UNIVERSITI UTARA MALAYSIA
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**GOOD CORPORATE GOVERNANCE PRACTICES AND
THE IMPACT ON THE PERFORMANCE OF UUM'S
HOLDINGS**

By



HAZRATUL KHAIRIAH BT HASHIM

UUM
Universiti Utara Malaysia

**Project Paper Submitted to
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Kolej Perniagaan
(College of Business)
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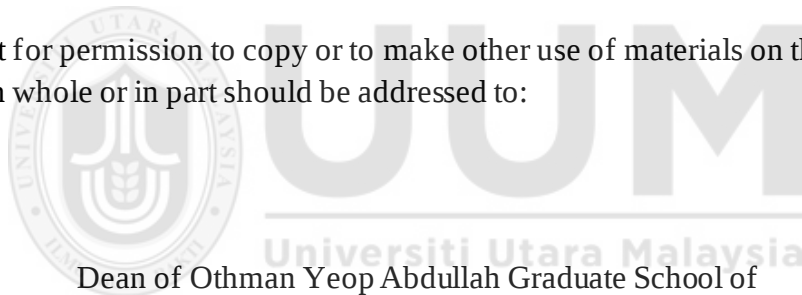


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ABSTRACT

Purpose – This study's objective is to assess the effectiveness of UUM Holdings company corporate governance practises. This study was conducted to determine how excellent corporate governance practises may affect the success of the organisation as a whole.

Design/Methodology/Approach – For the period covering 1999 through 2020, this analysis used audited financial data of UMHSB. The corporate governance code's practises during the full period of operation were assessed for each phase. Additionally, the effectiveness of the top management team in guiding effective business strategy will also be assessed.

Findings – The findings of this study indicated that excellent corporate governance practises may improve a firm's performance. Additionally, the top management team's background in accounting and business management will improve the result of financial performance. On the other hand, leadership teams with strong essential financial understanding show better financial cash flow and turnover in their strategy for making effective business choices.

Implications – The result indicates the importance of good corporate governance for business leadership and performance. Additionally, it is crucial for a company with a connection to the government to set an example for good corporate governance in order to maintain the organization's relevance in the related industry they operate in.

ABSTRAK

Tujuan – Objektif kajian ini adalah untuk menilai keberkesanan amalan tadbir urus korporat syarikat UUM Holdings. Kajian ini dijalankan untuk menentukan bagaimana amalan tadbir urus korporat yang cemerlang boleh mempengaruhi kejayaan organisasi secara keseluruhan.

Reka Bentuk/Kaedah/Pendekatan – Bagi tempoh meliputi 1999 hingga 2020, analisis ini menggunakan data kewangan UMHSB yang telah diaudit. Amalan kod tadbir urus korporat semasa tempoh penuh operasi dinilai untuk setiap fasa. Selain itu, keberkesanan pasukan pengurusan tertinggi dalam membimbing strategi perniagaan yang berkesan juga akan dinilai.

Penemuan – Dapatan kajian ini menunjukkan bahawa amalan tadbir urus korporat yang cemerlang boleh meningkatkan prestasi firma. Selain itu, latar belakang pasukan pengurusan tertinggi dalam perakaunan dan pengurusan perniagaan akan meningkatkan hasil prestasi kewangan. Sebaliknya, pasukan kepimpinan dengan pemahaman kewangan penting yang kukuh menunjukkan aliran tunai kewangan dan pusing ganti yang lebih baik dalam strategi mereka untuk membuat pilihan perniagaan yang berkesan.

Implications – The result indicates the importance of good corporate governance for business leadership and performance. Additionally, it is crucial for a company with a connection to the government to set an example for good corporate governance in order to maintain the organization's relevance in the related industry they operate in.

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Sincerely,

Hazratul

Hazratul Khairiah Bt Hashim

LIST OF TABLES

Table No.	Title	Page
4.2	Governance Structure Implemented 1999 - 2000	56
4.3	Phase A: Graph performance 1999 - 2000	57
4.4	Governance Structure Implemented 2001 – 2004	58
4.5	Phase B: Graph performance 2001 - 2004	60
4.6	Governance Structure Implemented 2005 - 20011	62
4.7	Phase C: Graph performance 2005 - 2011	65
4.8	Governance Structure Implemented 2012 – 2014	66
4.9	Phase D: Graph performance 2012 – 2014	69
4.10	Governance Structure Implemented 2015 – 2018	71
4.11	Phase E: Graph performance 2015 – 2018	73
4.12	Governance Structure Implemented 2019 – 2020	75
4.13	Phase F: Graph performance 2019 – 2020	77
4.14	Return on Equity and Return on Asset of Group UMHSB	79
4.15	Solvency Ratio of Group UMHSB	82
4.16	Liquidity Ratio of Group UMHSB	85

LIST OF FIGURES

Figure No.	Title	Page
1.1	Logo of Uniutama Management Holdings Sdn. Bhd. (UMHSB)	5
1.2	The Group Level of Governance	6
1.3	Milestones achieved by UMHSB across 20 years	7
1.4	The operation of UMHSB has gone into different leaderships over 20 years	8
1.5	Investment v. NTA or NE Accounting Value	9
2.1	Key features of MCCG 2021	15
3.1	Research Framework	46
3.2	Source of data collection	53
4.1	The company's audited 20 years' performance 1999 - 2000	55

KEY TERMS

Key Terms	Description
Corporate Governance	Corporate governance is the rules, practices, and processes used by agents in managing a company and ensuring their accountability, fairness, and transparency in the company's relationship with its stakeholders.
Firm's Performance	Firm's performance is based on liquidity, profitability and solvency of the company. The data is obtained from the financial statement.
Public Interest Entity	Public Interest Entity (PIE) is a term used to describe a business established with government funding. As a result, it serves the public interest to set rules and guidelines for driving day-to-day business operations as well as to be accountable for their shareholders' returns.
Independence of Board Director	Independence of Board Director refers to the director not having any connected to the business, not involved in the daily operations and also not a part of the management team

Key Terms	Description
The Audit Committee	The Audit Committee is a sub-group of board of directors of a company responsible for overseeing the process of internal financial reporting vs. External Financial Reporting. The management of the Audit Committee plays a key role in the governance structure of a company. The Committee is also free to challenge and question the company's financial reporting processes, internal controls, risk management and governance.



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Table of Contents

PERMISSION TO USE	i
ABSTRACT	ii
ABSTRAK	iii
ACKNOWLEDGEMENT	iv
LIST OF TABLES	v
LIST OF FIGURES	vi
KEY TERMS	vii
Chapter 1: Introduction	1
1.1 Introduction	1
1.1.1 Background of Uniutama Management Holdings Sdn Bhd	5
1.2 Problem Statement	7
1.3 Objective of Study	10
1.4 Research Question	10
1.5 Significance of the Study	11
1.5.1 Regulators	11
1.5.2 Investors	11
1.5.3 Researchers	12
1.5.4 Companies	12
1.6 Scope of the Study	13
Chapter 2: Literature Review	14
2.1 Introduction	14
2.2 Elements of Corporate Governance	14
2.2.1 Principal A - Board Leadership and Effectiveness	15
2.2.2 Principle B - Effective Audit and Risk Management	19
2.2.3 Principle C - Integrity In Corporate Reporting And Meaningful Relationship With Stakeholders	22
2.3 Underpinning Theories	24
2.3.1 Agency Theory	24
2.3.2 Stewardship Theory	26
2.3.3 Upper Echelon Theory	27
2.4 Review of Empirical Studies	29

2.4.1 Corporate Governance and company performance	29
2.4.2 Board Composition: insiders, outsiders and board size	32
2.4.3 Board Sub-Committees	35
2.4.4 Frequency of Board Meetings	36
2.4.5 CEO Duality	37
2.4.6 Audit Committee Independence	39
2.4.7 Summary	41
Chapter 3: Research Methodology	44
3.1 Introduction	44
3.2 Research Design	44
3.2.1 Research Approach	45
3.2.2 Research Strategy	45
3.2.3 Research framework	46
3.2.4 Variables of the case study	47
3.2.4.1 Profitability Ratio	47
3.2.4.2 Solvency Ratio	48
3.2.4.3 Liquidity Ratio	48
3.2.4.4 Corporate Governance Variables	49
3.2.4.4.1 Board Composition	49
3.2.4.4.2 Frequency of Board Meeting	49
3.2.4.4.3 Board Sub-Committee	49
3.2.4.4.4 Director Involvement of day to day operation	50
3.2.4.4.5 Audit Committee Independence	52
3.3 Data Collection Method	52
3.4 Data Analysis Method	54
3.4.1 Descriptive Analysis	54
3.5 Summary	54
Chapter 4: Data Presentation and Analysis	55
4.1 Introduction	55
4.2 Analysis of Corporate Governance Structure and Financial Performance	56
4.2.1 Phase A - 1999 to 2000	56
4.2.2 Phase B - 2001 up to 2004	58
4.2.3 Phase C - from 2005 up to 2011	62

4.2.4 Phase D - from 2012 up to 2014	66
4.2.5 Phase E – from 2015 up to 2018	71
4.2.6 Phase F – from 2019 up to 2020	75
4.3 Financial Ratio Analysis	79
4.3.1 Profitability Ratio	79
4.3.1.1 Phase A – 1999 to 2000	79
4.3.1.2 Phase B – 2001 to 2004	80
4.3.1.3 Phase C – 2005 to 2011	80
4.3.1.4 Phase D – 2012 to 2014	80
4.3.1.5 Phase E – 2015 to 2018	81
4.3.1.6 Phase F – 2019 to 2020	81
4.3.2 Solvency Ratio: Gearing ratio	82
4.3.2.1 Phase A – 1999 to 2000	82
4.3.2.2 Phase B – 2001 to 2004	83
4.3.2.3 Phase C – 2005 to 2011	83
4.3.2.4 Phase D – 2012 to 2014	83
4.3.2.5 Phase E – 2015 to 2018	84
4.3.2.6 Phase F – 2019 to 2020	84
4.3.3 Liquidity Ratio: Current ratio	85
4.3.3.1 Phase A – 1999 to 2000	85
4.3.3.2 Phase B – 2001 to 2004	85
4.3.3.3 Phase C – 2005 to 2011	86
4.3.3.4 Phase D – 2012 to 2014	86
4.3.3.5 Phase E – 2015 to 2018	86
4.3.3.6 Phase F – 2019 to 2020	87
4.4 Summary of Data Presentation and Analysis	87
Chapter 5: Research Findings and Conclusions	90
5.1 Introduction	90
5.2 Research Implication	90
5.3 Research Discussion	91
5.4 Decision and Recommendation to Organisation	93
5.5 Future Research Recommendation	94
Reference	95

Chapter 1: Introduction

1.1 Introduction

In the connected world of today, competition in both the public and private sectors is extremely challenging. In order to accomplish its objective and vision, an organisation must have a strong leadership and management team as well as dedicated and ethical employees. Sensitivity to a person's work ethics is essential in the organization's efforts to find personnel who will display great dedication to the organisation.

Corruption, waste, and power abuse are a few of the concerns that frequently come up when it comes to practising ethics in an organisation. The engagement of the Anti-Corruption Commission, which is grouped with the management and professional group, worsens the situation. This is a concerning situation since it affects people in important leadership roles within the company.

In order to manage investor capital, corporate governance is crucial in a corporation. The investors and stakeholders in the company would suffer losses as a result of poorly regulated investment money. According to Malaysian Code on Corporate Governance (MCCG 2021), corporate governance is defined as the procedure and framework used to direct and oversee a company's operations in order to improve business profitability and corporate accountability, with the main goal of maximizing shareholder value while taking other stakeholders' interests into consideration.

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