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

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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

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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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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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