

# ETHICAL VALUES AND COMPETITIVENESS WITHIN CONCENTRATED OWNERSHIP STRUCTURE IN MALAYSIA

Mohd Farhan Mohd Dah<sup>1</sup>, Saunah Zainon<sup>1</sup>,  
Nor Balkish Zakaria<sup>2</sup> and Normah Omar<sup>2</sup>

<sup>1</sup>Faculty of Accountancy,  
Universiti Teknologi MARA Johor, Malaysia  
<sup>2</sup>Accounting Research Institute (ARI),  
Universiti Teknologi MARA, Malaysia

## ABSTRACT

*Ethical values of business are normally jeopardized by the stiff competitions among them. Thus, ownership structure plays vital roles to balance these issues. This paper aims to study the relationship between ownership structures and performance pre and post Malaysian Codes on Corporate Governance (MCCG) 2012 revision. Based on a random sampling of 100 Bursa Malaysia listed companies, a final of 500 firm-year observations were chosen for the duration of 2010 till 2014. This study engaged several univariate and multivariate analyses to serve the empirical evidence. Despite the better Corporate Governance practices among the sample companies, the multivariate results showed that family ownership, government ownership, institutional ownership and company size have significant and positive relationship with firm performance only for MCCG 2012 revision. Due to the unfavorable Malaysian stock market for both 2013 and 2014, the results of post MCCG 2012 revision showed an insignificant effect between ownership structures and firm performance. Even though the corporate governance practices were favorably reported, the ownership structures were still powerless to influence the firm performance.*

**Keywords:** *ethical value, competitiveness, firm performance, ownership structures*

## **ARTICLE INFO**

### **Article History:**

Received: 3 March 2016

Accepted: 12 October 2016

Published: 23 December 2016

## INTRODUCTION

The issue of business ethics has garnered an increased amount of attention. Several corporate watchdog groups highlighted that the number of corporations that engage in ethics training and initiate socially responsive programs has amplified noticeably. Businesses have seen numerous instances of stock price pumping through corporate downsizing, penalizing actions against whistleblowers, and other practices that point to a still-prevalent emphasis on the bottom line over all other considerations in many industries. The ethical choices of firms on whether to use inferior materials, to place employees in a poor working environment, or to lay off a dozen workers due to financial expenditures are frequently reported. Indeed, the force to make morally compromised choices on behalf of the company may be at stake. The increased struggle of businesses that are based less on values are increasingly facing an uncomfortable conflict between their social values and their bottom line. Maximising financial returns to shareholders are at times conflicting with the charity for social responsibility. In addition to this, sacrifices are business misconducts that insert more pressure for the managers to the eyes of shareholders.

The collapsed of big corporations such as the UK's Bank of Credit and Commerce International (BCCI), Enron, and World Com are examples of high profile corporate scandals that received worldwide public scrutiny. These corporate scandals tarnished the reputation of companies and board of directors, causing the impairment of investors' confidence. The emergence of these high profile corporate scandals has brought the importance of good corporate governance into the limelight (Hussin & Othman, 2012). Financial crisis in Asia has drawn the attention of public about the weaknesses of corporate governance practices in developing economies such as Malaysia (Zainal Abidin & Ahmad, 2007). Corporate governance transformation is crucial for companies to adapt the corporate governance structures that suit the changes in the external environment.

Malaysia is not excluded from the corporate governance issue. Corporate governance practices in Malaysia have also been criticized by the public due to several high profile corporate scandals such as Perwaja Steel, Renong, UEM and Transmile Group Bhd. These corporate scandals have impaired the investors' confidence in the Malaysian capital market and most

companies involved have been collapsed due to financial and reputation losses. Poor corporate governance practices serve as a main reason for cases of corporate scandals in Malaysia (Wahab, How & Verhoeven, 2007). The downfall of Transmile Bhd is a manipulation of revenue which reflects poor transparency in financial reporting (Daud, 2012).

The Securities Commission (SC) of Malaysia has played its roles in promoting good corporate governance practices, especially among public listed companies to restore the public confidence via the implementation of a series of Malaysian Code on Corporate Governance (MCCG) which were first issued in 2000, revised in 2007 and followed by the second revision in 2012. The MCCG outlines the principles and best practices of structures and processes that firms could practice in their operations towards achieving an optimal governance framework. In addition, Bursa Malaysia has also played its roles in ensuring good corporate governance practices by imposing a mandatory requirement for Malaysian public listed companies to comply with the requirements set in MCCG. Tan Sri Zarinah Anwar, who is the former chairman of Securities Commissions Malaysia, suggested that the boards and the shareholders must have a wider comprehension that good business is not only measured by good financial position, but also by an upright ethical and sustainable position. Despite the efforts taken to enhance corporate governance practices in Malaysia, the effectiveness of these MCCGs remains questionable as corporate scandals still occur after the issuance of MCCGs. Hence, “Does good corporate governance practices really lead to good financial performance?” (Daud, 2012).

The purpose of this study therefore is to examine the level of corporate governance practices in Malaysia before and after the issuance of MCCG 2012 revision. In addition, this study also examines one of the corporate governance tools which is the ownership structures and its effect on corporate performance pre and post MCCG 2012 revision. The findings of this study could be to assess the effectiveness of MCCG 2012 in its effort to promote better corporate governance practices in Malaysia.

The remainder of the paper is structured as follows. Section 2 reviews related literature and develops the hypotheses. Section 3 describes the research methodology. Section 4 presents the empirical results and finally, Section 5 concludes the paper.

# LITERATURE REVIEW AND HYPOTHESES

## Family Ownership and Firm Performance

It is mandatory for all public listed companies in Bursa Malaysia to disclose family relationships among their directors in the board and any family relationships with the major shareholders in their annual reports. This is regarded as a vital disclosure since the majority of the Malaysian public listed companies are family concentrated ownership (Claessens, 2000). Mohd Ghazali (2010) showed that 67.2 % of his 238 Malaysian sample companies are family owned. He added that family relationships among board members in Malaysia were 73 percent out of all the public listed companies in Malaysia. Despite an increase in family ownership companies in Malaysia, there are only a few studies that examined the relationship between family members on the board and firm performance. Chrisman (2004) studied the relationship between family ownership and firm performance and found that non-family companies performed better than family companies due to altruism practices. Non-performing management would still be in their position despite of bad performance due to the unique family relationship among directors in the board and major shareholders. However, Maury (2006) found that family ownership could reduce the agency conflict between management and shareholders which can contribute to good performance. Hence, the following exploratory hypothesis has been developed in terms of relationship between family ownership and firm performance upon the revision of MCCG 2012;

**H<sub>1</sub>:** There is a significant relationship between family ownership and firm performances after the 2012 MCCG revision

## Managerial Ownership and Firm Performance

Managerial ownership refers to the portion of shares in the company that is owned by the manager and directors. It is disclosed in the annual report as a director shareholding. The disclosure of director shareholding is very important as it is part of a director's compensation. Jensen and Meckling (1976) found that higher managerial ownership or director ownership is able to reduce the agency problem and hence increase the firm's performance. The director is motivated to act in the best interest of shareholders when

the director is also part of the shareholder entitled for dividend return based on the shares owned. However, Chiang and Chia (2005) found a negative association between director ownership and firm performances. Shareholding directors tend to act conservatively in making corporate or business decision in order to secure their managerial position. MCCG 2012 recommended the board to maintain an effective communication with shareholders via the company's website as part of disclosure. This effective communication can reduce agency conflict between management and shareholders. Based on the results found by previous researchers, the relationship between director's ownership and firm performances is expected. Hence, the following hypothesis has been developed;

- H<sub>2</sub>:** There is a significant relationship between managerial ownership and firm performance after the 2012 MCCG revision

### **Managerial Ownership and Firm Performance**

Government ownership refers to the portion of shares in the company that is owned by the government through its government agencies. Government ownership needs to be disclosed in the annual report through the disclosure of substantial shareholders. The government usually owns shares of companies that have significant impact to the public such as utilities services and public infrastructures. According to Claessens (2000), companies with government ownership may perform poorly due to the priority of the government agenda such as political policy rather than to maximize profit. This is however in contrast to Mohd Ghazali (2010) who found a positive relationship between government ownership and firm performances. The positive association is due to the favorable treatment given by the government to the government linked companies in making or revising government policies. In Malaysia, most of the government arms that own shares in certain public listed companies are for example the Employee Provident Fund (EPF) and Permodalan Nasional Berhad (PNB). Government owned companies normally receive government grants as part of the financing of projects that are beneficial to the public as a whole. Based on the results found by previous researchers, it shows that there is a relationship between government ownership and firm performances. Hence, the following hypothesis has been developed for the relationship between government ownership and firm performance;

**H<sub>3</sub>:** There is a significant relationship between government ownership and firm performance after the 2012 MCCG revision

### **Institutional Ownership and Firm Performance**

Institutional ownership refers to the ownership by institutional shareholders who are professionals and experts in investment activities. These institutional shareholders normally have voting powers and rights based on their shareholdings and able to influence the management's decision as well as to monitor the management behaviors. According to Hsu and Wang (2014) who studied on the relationship between institutional shareholding and firm performance based on the Taiwanese stock market, they found a positive relationship as higher institutional ownership will lead to a better firm performance as these institutional shareholders were able to monitor the management behaviors effectively and hence reducing the conflict of interest between management and shareholders. They added that long term institutional shareholding by foreign institutions will lead to a higher firm performance. The positive association between institutional ownership and firm performance has been further supported by the findings from Desoky and Mousa (2013) and Alipour (2013), who found a positive relationship between institutional ownership and firm performance based on their respective studies in different stock market environments. This implies the ability of institutional shareholders in reducing the information asymmetry problem which leads to the increase of the shareholders' wealth. Based on the results found by previous researchers, it is shown that there is a relationship between institutional ownership and firm performances. Hence, the following hypothesis has been developed for the relationship between institutional ownership and firm performance;

**H<sub>4</sub>:** There is a significant relationship between institutional ownership and firm performance after the 2012 MCCG revision

### **Company Size and Firm Performance**

Company size is one of the company's characteristics that differentiate one company from another. Company size can be measured through the total assets owned, firm profitability and market capitalization. Larger companies normally have a strong ability for going concern due to sufficient resources

owned by them while the smaller companies with limited resources tend to concentrate on low risk projects as they do not have the strong ability for going concern compared to larger companies. Hence, the company size can affect the firm's performances. This has been supported by prior studies that examined the relationship between company size and firm performances. Larger companies could perform better compared to smaller companies due to the ability of larger companies to engage in high risk projects for high returns (Haji, 2014). However, Mohd Ghazali (2010) found a negative association between company size and firm performance whereby smaller companies performed better compared to larger companies due to lower business costs that incurred and less complexity. Based on the results found by previous researchers, it shows that there is a relationship between company size and firm performance. Hence, the following hypothesis has been developed for the relationship between company size and firm performance;

**H<sub>5</sub>:** There is a significant relationship between company size and firm performance after the 2012 MCCG revision

## METHODOLOGY

The sample companies for this study were selected based on random 100 Bursa Malaysia listed companies on 1<sup>st</sup> July 2015. However, banking and financial institutions were excluded due to different regulations. Five consecutive years of annual reports for these 100 sample firms from 2010 – 2014 as the study period were examined from Bursa Malaysia's website. The final 500 firm- year observations were finally identified for further testing to meet the research objectives.

In order to determine the relationship of ownership and performance of the sample companies pre and post MCCG 2012 revision, the following model was developed.

$$ROA = \beta_0 + \beta_1 \text{FamOwn} + \beta_2 \text{ManOwn} + \beta_3 \text{GovOwn} + \beta_4 \text{InsOwn} + \beta_5 \text{Size} + \varepsilon \quad (1)$$

Return on asset (ROA) was computed based on net profit to total assets. Family ownership was computed based on the proportion of shares owned by family members on the board to the total number of shares issued. Managerial ownership was based on the proportion of shares held by executive and non-independent directors including their deemed interests to the total number of shares issued. Government ownership, on the other hand, reflected the proportion of shares held by government agencies or government arms to the total number of shares issued while institutional ownership was the proportion of shares owned by institutional investors to the total number of shares issued. This study controlled the effect of companies' size that was proxy by total asset.

## **FINDINGS AND ANALYSES**

### **Pearson Correlation Matrix**

The results in Table 2 show that government ownership and institutional ownership is strongly correlated at 0.663 with a positive association. This result implies that government ownership among the sample companies is via the institutional shareholding. However, there is no significant relationship recorded among the ownership variables to the performance of companies (ROA). Tabachnick and Fidell (2007) asserted that careful attention should be given when two explanatory have a correlation of 0.7 or higher. Other studies have regarded the correlations of 0.8 or 0.9 among independent variables as an indication of a significant multicollinearity problem (Griffiths & Judge, 1992). The correlation matrix in table 2 to table 6 shows no correlation between explanatory variables exceeding the level of 0.6. Thus, the Pearson's correlation coefficient results suggest no collinearity problems between the variables.



**Table 1: Pearson Correlations**

Variables	ROA	FamOwn	ManOwn	GovOwn	InsOwn
ROA	-				
FamOwn	-.146	-			
ManOwn	-.014	.277	-		
GovOwn	-.044	.112	.055	-	
InsOwn	.030	.144	.139	.663**	-
Size	.173	-.088	.058	.196	.196

**Note:** Firm-year observations = 500, \*p < 0.05 (2-tailed), \*\* p < 0.01 (2-tailed). ROA is net profit to total assets. FamOwn is the proportion of shares owned by family members on the board to the total number of shares issued. ManOwn is the shares held by executive and non-independent directors including their deemed interests to the total number of shares issued. GovOwn is the shares held by government agencies or government arms to the total number of shares issued. InsOwn is the proportion of shares owned by institutional investors to the total number of shares issued. Size is the total asset.

## Multivariate Analysis

Both normality and multicollinearity concerns of the dependent and independent variables were checked as a prerequisite before multiple regression analyses were conducted. The descriptive analyses showed that the dependent variable and some of the continuous independent variables are not normally distributed through their skewness and kurtosis values for all five years. Consistent with the approach that was suggested by (Cooke, 1998), both the independent variables and dependent variables had been transformed to the normal scores so that their statistical analyses would be meaningful and efficient. The study also checked the multicollinearity among the independent variables using Pearson correlations in which there was no multicollinearity suspected among the independent variables based on the cut-off figure of 0.7 variance inflation factor (VIF) and tolerance values for all five years.

**Table 2: Multivariate Results**

	2010	2011	2012	2013	2014
Variable					
Constant	.002 (3.156)	.003 (5.533)	.003 (4.642)	.003 (4.663)	.002 (3.016)
FamOwn	.003 (.965)	-.007* (-1.845)	.009 (2.690)	-.003 (-.612)	-.005 (-1.270)
ManOwn	-.001 (-.326)	-.003 (-1.128)	-.004 (-1.190)	-.001 (-.290)	.000 (.029)
GovOwn	-.003 (-.783)	.006** (2.126)	.001 (.170)	.001 (.379)	-.004 (-1.080)
InsOwn	.001 (.460)	-.008*** (-3.254)	.002 (.683)	-.002 (-1.043)	.002 (.892)
Size	.014* (1.768)	.007 (.901)	-.009 (-1.141)	-.000 (.032)	.103 (1.569)
Adj R2	4.8	13.9	9.2	2.2	5.9

**Note:** Firm-year observations = 500, \*p < 0.05 (2-tailed), \*\* p < 0.01 (2-tailed), ROA is net profit to total assets. FamOwn is the proportion of shares owned by family members on the board to the total number of shares issued. ManOwn is the shares held by executive and non-independent directors including their deemed interests to the total number of shares issued. GovOwn is the shares held by government agencies or government arms to the total number of shares issued. InsOwn is the proportion of shares owned by institutional investors to the total number of shares issued. Size is the total asset.

Table 2 shows the multiple regression results for ROA for the financial year of 2010. The multiple regression models obtained an adjusted R<sup>2</sup> of 4.8 percent. The explanatory power of this study captures about 4.8 percent of the variation of firm profitability and suggests the extent to which the present set of independent variables can explain the dependent variable. The results show that none of the ownership structures are statistically significant in relation to firm performance in 2010 for ROA. However, the company characteristic variable which is company size has a significant positive relationship with firm performance. Hence, there is no significant relationship between ownership structures and firm performance prior to the revision of MCCG 2012 for the financial year of 2010 except for the

company size. The result is consistent with prior study by (Haji, 2014) who found an insignificant relationship between ownership structures and firm performance. The result is also consistent with a prior study done by (Desoky & Mousa, 2013) who found an insignificant relationship between ownership structures and firm performance. This implies the lack of ownership concentration among Malaysian public listed companies in that period where most high profitable companies require a more diffused ownership structure rather than complicated ownership structure. Apart from that, MCCG 2007 emphasized mainly on the roles of the board of directors, audit committees and internal audit function rather than guidance for the ownership structures of the company. However, the results show a significant relationship between company size and firm performance at a 10 percent level. This result is consistent with (Haji, 2014) who found a positive association between company size and firm performances. This implies that companies with more assets-oriented are able to generate higher profit which leads to a good performance.

Table 2 also shows the multiple regression results for ROA for the financial year of 2011. The multiple regression models obtained adjusted  $R^2$  of 13.9 percent. This is similar to the results found for the financial year of 2010. The explanatory powers of this study capture about 13.9 percent of the variation of firm profitability and suggest the extent to which the present set of independent variables can explain the dependent variable. The results show the significant positive association between some ownership structures for family ownership, government ownership and institutional ownership with firm performance at 10 percent level, 5 percent level and 1 percent level respectively for the financial year of 2011. Hence, there are significant positive relationships between family ownership, government ownership and institutional ownership with firm performance prior to the revision of MCCG 2012 for the financial year of 2011. This result is consistent with (Arouri, Hossain & Muttakin, 2014) and (Shyu, 2011) who found a significant positive relationship between family ownership and firm performances. This implies that the family members are motivated to increase their family's wealth by increasing the firm performance and these family companies are concerned in their sustainability and heritage as part of their family's welfare. Besides that, the result also found significant positive relationship between government ownership and firm performance. This significant positive relationship has been supported in prior studies by (Mohd

Ghazali, 2010) and (Desoky & Mousa, 2013) who found the association between government ownership and firm performance. This implies that the government linked companies normally receive favorable treatment by the government pertaining to the government policies relating to their business operations. Apart from that, these government linked companies are more in the good chance of winning the government profitable projects. Furthermore, the result also found significant positive relationship between institutional ownership and firm performance. The positive association between institutional ownership and firm performance has been supported in the prior studies by (Desoky & Mousa, 2013), (Alipour, 2013) and (Arouri, Hossain & Muttakin, 2014). This significant positive finding implies the effective monitoring role by the institutional shareholders who are able to reduce the conflict of interest between management and shareholders as well as able to reduce the management's self-perquisite behavior. Hence, institutional shareholders are one of the good tools in disciplining the management so that they act in the best interest of shareholders and other stakeholders.

Table 2 also shows the multiple regression results for ROA for the financial year of 2012 which is the pre period of the MCCG 2012 revision. The multiple regression models show an adjusted R<sup>2</sup> of 9.2 percent. The higher adjusted R<sup>2</sup> for the financial year is captured at about 9.2 percent of the variation of firm profitability and suggest the extent to which the current set of dependent variable can be explained by the independent variables. Similar with the result for pre period of MCCG 2012 revision for financial year 2011, family ownership has shown significant positive relationship with firm performance at 1 percent level. The result has confirmed prior the finding by (Arouri, Hossain & Muttakin, 2014) and (Shyu, 2011) who found significant positive relationship between family ownership and firm performances. This is consistent with the requirement in the MCCG 2012 where all directors in Malaysian public listed companies must declare their family relationship among board members and major shareholders. This implies that family owned companies have better matching of control rights of the dominant shareholders with their cash flow rights that result in higher incentives for control to be exercised in order to maximize the shareholders' wealth.

Additionally, Table 2 shows the multiple regression results for ROA for the financial year of 2013 which is the period where the MCCG 2012 revision took effect and all public listed companies were required to comply with it. The multiple regression models show an adjusted  $R^2$  of 2.2 percent. This adjusted  $R^2$  for this financial year captures about 2.2 percent of the variation of firm profitability and suggests the extent to which the current set of independent variables can explain the dependent variable. The result shows that none of the ownership structures have significant relationship with firm performance for the post period of MCCG 2012 for the financial year end in 2013. The insignificant relationship between ownership structures and firm performance is consistent with the prior study by (Haji, 2014) who found insignificant association between ownership structures and firm performance. This implies the risk of attitude among public listed companies in Malaysia that mostly invest their assets on low risk projects that promise lower returns. Similar to the ownership structures, the company size also does not have any significant relationship with firm performance. This implies that the companies with huge assets normally have higher liabilities in financing the assets that affect the cash flow of companies and hence distort their profitability.

Table 2 further shows the multiple regression results for ROA for the financial year 2014 which is the post period of the MCCG 2012 revision. The multiple regression models show an adjusted  $R^2$  of 5.9 percent. This adjusted  $R^2$  for the financial year captures about 5.9 percent of the variation of firm profitability and this suggests the extent to which the current set of dependent variable can be explained by the independent variables. The result shows that none of the ownership structures have significant relationship with firm performance for the post period of MCCG 2012 for the financial year end in 2014. The insignificant relationship between ownership structures and firm performance is consistent with the prior study by (Alipour, 2013) who found insignificant association between ownership structures and firm performance that was represented through return on asset (ROA). However, the study by (Alipour, 2013) has been conducted for Iran listed companies and this study is conducted based on the Malaysian environment. Hence, there will be different factors that result in insignificant results. Based on the Malaysian environment, the unfavorable results between ownership structures and firm performance implies the two air tragedies that happened in years 2013 and 2014 for two aircrafts that belonged to the Malaysian

Airline System (MAS). These incidents have become world news and affected the Malaysian stock market due to impairment of foreign investors' confidence in their investment to Malaysian companies. Similar to the ownership structures, the company size also gives unfavorable result for the relationship with firm performance. This implies that the companies with huge assets are not able to generate higher profit due to the two air tragedies in Malaysia that distort the international market.

Thus, based on the results of Table 2, it can be concluded that only H1, H3 and H4 are accepted since only family, government and institutional ownership are significant to company performance which is represented by the company size in this study.

## **CONCLUDING REMARKS**

As the overall results for five years of multivariate analysis, there are significant relationships found between ownership structures and firm performance for pre periods of MCCG 2012 revision. The pre periods of the MCCG 2012 revision for the financial year of 2010 till 2012 have shown a significant relationship for family ownership, government ownership, institutional ownership and company size with respect to the firm's performances. Meanwhile, the post periods of MCCG 2012 revision for the financial years of 2013 and 2014 have not shown any significant relationship for ownership structures and company size with respect to the firm performance. The significant positive relationship between family ownership, government ownership and institutional ownership with respect to firm performance for the pre periods have further confirmed the studies by (Desoky & Mousa, 2013), (Alipour, 2013), (Arouri, Hossain & Muttakin, 2014) and (Shyu, 2011). In terms of relationship between company size and firm performance, the favorable result for pre period of MCCG 2012 revision has further confirmed the findings by (Haji, 2014). In contrast, insignificant relationship for ownership structures and company size with respect to firm performance for post periods of MCCG 2012 revision for both financial years 2013 and 2014 are due to unfavorable Malaysian stock market in both years 2013 and 2014. This has been the result of the two aircrafts tragedies in Malaysia for MH370 and MH17 that have impaired the confidence of foreign investors to invest into the Malaysian stock market.

All four ownership structures and one company characteristic have been tested in this study. Using descriptive analysis, the study found that the level of corporate governance practices is high after the MCGG 2012 revision. By employing the multiple regression models for multivariate analysis, the study found that family ownership, government ownership, institutional ownership and company size have significant positive relationships with firm performances for pre periods of the MCGG 2012 revision. Upon mandatory compliance of MCGG 2012 for post periods, the study did not find a significant relationship between ownership structures and firm performances due to unfavorable Malaysian stock market for both years 2013 and 2014. Pre periods of the MCGG 2012 revision have shown that family ownership, government ownership, institutional ownership and company size have significant influence on the firm's performances due to the common nature of listed companies in Malaysia that are family companies and government linked companies besides the companies that are mostly owned by the institutional shareholders. However, no significant influence found between all independent variables and firm performance is mainly due to the unhealthy Malaysian stock market environment after the two aircrafts tragedies that happened and brought to the world's attention and this has indirectly impaired the foreign investors' confidence.

## REFERENCES

- Ahmad Zaluki, N. A., & Wan Hussin, W. N. (2010). Corporate governance and earnings forecasts accuracy. *Asian Review of Accounting*, 18, 50-67.
- Alipour, M. (2013). An investigation of the association between ownership structure and corporate performance Empirical evidence from Tehran Stock Exchange (TSE). *Management Research Review*, 36, 1137-1166.
- Amran, N. A., & Che Ahmad, A. (2011). Board mechanisms and Malaysian family companies' performance. *Asian Journal of Accounting and Governance*, 2, 15-26.
- Arouri, H., Hossain, M., & Muttakin, M. B. (2014). Effects of board and ownership structure on corporate performance: Evidence from GCC countries. *Journal of Accounting in Emerging Economies*, 4, 117-130.

- Belkhir, M. (2009). Board of directors' size and performance in the banking industry. *International Journal of Managerial Finance*, 5, 201-221.
- Cadbury, A. (1992). Cadbury Report - Financial Aspects of Corporate Governance. United Kingdom: United Kingdom Shareholders' Association.
- Chiang, H. T. & Chia, F. (2005). An empirical study of corporate governance and corporate performance. *Journal of American Academy of Business*, 6(1), 95-101.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2004). Comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence. *Entrepreneurship Theory And Practice*, 335-354.
- Claessens, S., Djankov, S., & Lang, L. H. P. (2000). The separation of ownership and control in East Asian Corporations. *Journal of Financial Economics*, 58, 81-112.
- Cooke, T. E. (1998). *Regression Analysis in Accounting Disclosure Studies*. *Accounting and Business Research*, 28(3), 209-224.
- Daud, S. E. (2012). *Corporate Governance and Performance of Malaysian Public Listed Companies*. (Degree of Doctor of Business Administration), Universiti Utara Malaysia Malaysia.
- Desoky, A. M., & Mousa, G. A. (2013). An empirical investigation of the influence of ownership concentration and identity on firm performance of Egyptian listed companies. *Journal of Accounting in Emerging Economies*, 3(2), 164-188.
- Fraser and Neave - F&N (2014). Annual Report for the year 2014. Retrieved 27th February 2015, 2015, from <http://www.fraserandneave.com/investor-relations/quarterly-reports/2014>
- Griffiths, W. E., Hill, & Judge, G. G. (1992). *Learning and practising econometrics*: John Wiley & Sons, Inc.



- Haji, A. A. (2014). The relationship between corporate governance attributes and firm performance before and after the revised code. *International Journal of Commerce and Management*, 24, 134-151.
- Harimau Capital (2015). Top 100 listed companies in Bursa Malaysia based on market capitalization. Retrieved 27th February 2015, 2015, from <http://www.harimaucapital.com/2013/03/2012-2009-bursa-malaysia-top-100-listed.html#.VVzNtvmqqko>
- Hsu, M. F. & Wang, K. (2014). The level and stability of institutional ownership and firm performance: Evidence from Taiwan. *Emerging Markets Finance & Trade*, 50(April 2014), 159-173.
- Hu, Y. & Zhou, X. (2008). The performance effect of managerial ownership: Evidence from China. *Journal of Banking & Finance*, 32, 2099-2110.
- Hussin, N., & Othman, R. (2012). Code of corporate governance and firm performance. *British Journal of Economics, Finance and Management Sciences*, 6 (2), 1-22.
- Ibrahim, H., & Abdul Samad, F. (2011). Corporate governance mechanisms and performance of public-listed family-ownership in Malaysia. *International Journal of Economics and Finance*, 3(February 2011), 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.
- Kamarudin, K. A., Wan Ismail, W. A. & Samsuddin, M. E. (2012). *The Role of the Audit Committee in Moderating the Negative Effect of Non-Audit Services on Earnings Quality*. Paper presented at the 2nd International Conference on Management, Holiday Villa Beach Resort & Spa, Langkawi Kedah, Malaysia.
- Khanchel, I. (2007). Corporate governance: Measurement and determinant analysis. *Managerial Auditing Journal*, 22, 740-760.

- Kim, H., & Lim, C. (2010). Diversity, outside directors and firm valuation: Korean evidence. *Journal of Business Research*, 63, 284-291.
- Lilienfeld-Toal, U. V., & Ruenzi, S. (2014). CEO Ownership, Stock Market Performance, and Managerial Discretion. *The Journal of Finance*, 1(June 2014), 1013-1050.
- Maury, B. (2006). Family ownership and firm performance: Empirical evidence from Western European corporations. *Journal of Corporate Finance*, 12, 321-341.
- MCCG. (2000). *Malaysian Codes on Corporate Governance*. Malaysia.
- MCCG. (2007). *Malaysian Codes on Corporate Governance*. Malaysia.
- MCCG. (2012). *Malaysian Codes on Corporate Governance*. Malaysia.
- Mohd Ghazali, N. A. (2010). Ownership structure, corporate governance and corporate performance in Malaysia. *International Journal of Commerce and Management*, 20, 109-119.
- Mohd Ghazali, N. A. & Weetman, P. (2006). Perpetuating traditional influences: Voluntary disclosure in Malaysia following the economic crisis. *Journal of International Accounting, Auditing and Taxation*, 15, 226-248.
- Mubaraq, S, & Haji, A. A. (2014). The impact of corporate governance attributes on intellectual capital disclosure: A longitudinal investigation of Nigerian banking sector. *Journal of Banking Regulation*, 15, 144-163.
- Shyu, J. (2011). Family ownership and firm performance: Evidence from Taiwanese firms. *International Journal of Managerial Finance*, 7, 397-411.
- Tabachnick, B. G, & Fidell, L. S. (2007). *Using multivariate statistics*. Boston: Pearson Education.

- Wahab, E. A. A., How, J. C. Y., & Verhoeven, P. (2007). The impact of the Malaysian code on corporate governance: Compliance, institutional investors and stock performance. *Accounting and Finance*, 1-36.
- Zainal Abidin, N. A. & Ahmad, N. (2007). Corporate governance in Malaysia: The effect of corporate reforms and state business relation in Malaysia. *Asian Academy of Management Journal*, 12, 23-34.
- Zeitun, R., & Tian, G. G. (2007). Does ownership affect a firm's performance and default risk in Jordan? *The International Journal of Business in Society*, 7, 66-82.