

UNIVERSITI TEKNOLOGI MARA

**DEVELOPING A FRAMEWORK
FOR BEST PRACTICES OF
GOVERNANCE OF STATE
STATUTORY BODIES (SSB) IN
SARAWAK**

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requirements for the degree of
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AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledged as referenced work. This thesis has not been submitted to any other academic institution or non-academic institution for any other degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, University Teknologi MARA, regulating the conduct of my study and research.


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ABSTRACT

According to Chief Minister Department report (2008) the total number of public complaints on poor level of services received by State Statutory Bodies in Sarawak increased to 629 in 2007 as compared to 520 in 2006. This is one clear evidence that the State Statutory Bodies have not been able to deliver the level of services up to the expectation of the customers and stakeholders in Sarawak due to unsatisfactory governance. This problem is being corroborated by the finding in the Auditor-General report on State Statutory Bodies in Sarawak (2010 and 2011). The Sarawak government is responsible to fulfill the needs, hope and aspiration of its citizen with limited resources available through best practices of governance. The main objective of this study is to evaluate the best practices of governance and its effects on the level of services in State Statutory Bodies in Sarawak. These best practices of governance were based on literature reviews from developed and developing countries and from the experiences of State Statutory Bodies in Sarawak. The level of services refers to the quality of services given by State Statutory Bodies to its stakeholders and the level of services are evaluated by survey questionnaire and interviews. Hence, the specific objectives of this study are to identify factors in best practices of governance for State Statutory Bodies in Sarawak, the predictor in best practices of governance and to recommend a framework of best practices of governance that can assist State Statutory Bodies in Sarawak. The comprehensive and extensive literature reviews on governance in the public sector in developing and developed countries clearly show the existence of factors in best practices of governance in the public sector. This finding is back up by the empirical evidence and findings obtained through questionnaires survey and rigorous data analysis of this study. An analysis on the feedback and recommendations from the open-ended questions further reinforce the existence of best practices of governance in State Statutory Bodies and its correlation to the level of services provided by State Statutory Bodies to its customers and stakeholders. The questionnaire for this study was constructed using 50 items related to best practices of governance and distributed to 700 senior officers and employees of the State Statutory Bodies, Board of Directors, Audit Committees and Auditors yielding a response rate of 61 per cent. The respondents are well educated, knowledgeable and vastly experienced in best practices of governance in State Statutory Bodies in Sarawak. Thus, their feedback and comments on the subject matter are reliable and accurately reflect the actual practices of governance in their respective agencies. Factorial analysis involving exploratory and confirmatory factor highlighted the four new factors which determine the level of services rendered by State Statutory Bodies to its customers and stakeholders. In fact, the prime contribution of this study is the identification of these factors on best practices of governance in State Statutory Bodies. This identification of factors is very crucial as they will have direct impact on the level of services in State Statutory Bodies. In fact, the findings suggested that the best practices of governance is highly correlated with the level of services. The result of this study had determined four factors in best practices of governance in State Statutory Bodies in Sarawak namely; Human Resource, Process, Control and Direction (Cadbury Report, 1992; Monks and Minow, 1995; United Nation, 2000; Sidek, 2007; Aziuddin and Arfah, 2009). A multiple regression analysis indicates that all

the factors contributed significantly towards explaining the variance in the overall level of services in the State Statutory Bodies. The findings also suggest that the correlation between the four factors and the level of services is highly positive. Finally, this study suggests a suitable and practical framework of best practices of governance for all State Statutory Bodies in Sarawak. However, this framework is only a general proposal and each State Statutory Bodies have to fine tune the framework according to each individual requirement and the uniqueness of each State Statutory Body at that period of time. In order to ensure the effectiveness of this framework, the State Statutory Bodies should have in place strategies to transform the human capital, embrace human governance, adopt knowledge management, restructuring and process re-engineering. Other suggestions include implementing the value for money model through on line services; reviewing the existing ordinances, rules and regulations; developing the integrity strategy; developing effective risk and strategic management; introducing Key Performance Indicators; implementing policy innovation and strategic value creation and adopting the blue ocean strategy. All these strategies will help in strengthening the best practices of governance and thereby improving the level of services in the State Statutory Bodies in Sarawak. This will enhance the competitiveness of Sarawak to compete with the best in the world and finally making Sarawak a develop state by 2020.

TABLE OF CONTENTS

	Page
AUTHORS'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENT	v
TABLE OF CONTENT	vi
LIST OF TABLES	x
LIST OF FIGURES	xi
LIST OF MODELS	xii
LIST OF ABRREVIATIONS	xiii
CHAPTER ONE : INTRODUCTION	
1.1 Background of the Study	1
1.2 Problem Statement	5
1.3 Research Questions	10
1.4 Objectives of the Research	11
1.5 Significance of the Study	11
1.6 Scope of the Study	13
1.7 Organization of the Study	15
CHAPTER TWO : LITERATURE REVIEW	
2.1 Introduction	18
2.2 The Concept of Governance	19
2.2.1 Governance is as Old as Human Civilization	19
2.2.2 Collaborative Governance	20
2.3 The Global Development of Governance	22
2.4 Governance Issues	24
2.5 The Concept of Best Practices	28
2.6 Principles of Best Practices of Governance	31