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INDUSTRIAL TRAINING REPORT AT EMPLOYEES' PROVIDENT FUND (EPF)

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EXECUTIVE SUMMARY

Employees' Provident Fund (EPF) is one of the company that I chose to undergo my industrial training programme for being an internship student that allows me to apply the knowledge learnt in the academic program. It is one of my dream company and if I have the opportunity, I want to build my career in this company. This is because the Employees' Provident Fund (EPF) is the largest and the long-lived retirement savings finances in the world with a strong collaboration between 250 professional investors members. This company was listed in Malaysia's 100 Leading Graduate Employers Awards, Universum Malaysia's Most Attractive Employers, Graduan Brands Awards 2017 to 2018, HR Asia Best Companies to Work for In Asia 2019 and GrandMalaysia 2018 to 2019. Furthermore, I am able to acquire skills at the workplace in the industry and gain additional practical knowledge. The vision of the company is to assist members gain a wonderful tomorrow while the mission is to deliver awesome services and to provide a protection members' savings. There are two main services provided by the company which are for the member and employer. This report cover a research made on determinants of investment decision on food and beverages companies in Malaysia. Data for ten firms in Malaysia is collected from online data resources. This research conclude that leverage and current ratio has statistically significant relationship to investment decision while fixed capital intensity had no significant relationship to investment decision. In addition, correlation analysis shows that leverage has a positive relationship with higher and strongest contribution between investment decision compared with other variables.

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COMPANY'S PROFILE

Company Background



Figure 2: Company Logo

The name of the company is Employees' Provident Fund (EPF). This company is a federal statutory body under the purview of the Ministry of Finance. In addition, the function of this company is to make sure that the private sector workers or voluntary for non-Malaysian citizens in Malaysia have their own savings plan and retirement planning. I did my industrial training under the Employees' Provident Fund (EPF) Manjung Branch. The company is located at No 260, 261, Jalan PPMP 3/4, Pusat Perniagaan Manjung Point 3, 32040 Seri Manjung, Perak.

During the MCO/CMCO/RMCO, Employees Provident Fund (EPF) kiosks operate from 8:30 a.m. to 4:30 p.m. on working days. As for kiosks located in the third-party premises, operating hours are subject to premise operating hours. Certain time from 12th May 2021 to 7th June 2021 during Conditional Movement Control Order (CMCO), the offices operated from 8:00 a.m. to 4:00 p.m. meanwhile the counters operated from 8:30 a.m. to 3:00 p.m. which is on working days only. For the latest update on EPF Branch operation hours, all offices and counters of EPF that are located in areas under the CMCO will operate from 9:00 a.m. to 2:00 p.m. on working days until further notice is announced. To add, during CMCO, members who have any problems or questions can make an appointment at the affected branches through the Janji Temu Online facility (www.kwsp.gov.my/janjitemu) or they can directly contact EPF's Contact Management Centre at 03-89226000. Moreover, from 1st June 2021 to 14th June 2021 then 15th June 2021 to 28th June 2021, all offices and counters in Malaysia were closed temporarily. Furthermore, services counters will continue back their operation for certain services such as retirement withdrawal starting from 1st July 2021.

The vision of the company is to assist the members in order to gain a wonderful tomorrow meanwhile the missions are to deliver awesome services and to provide protection for members' savings. The objectives and goals of the company since their very first day of establishment are mainly to provide the best retirement savings for the members and at the same time to manage and coordinate all the core activities of EPF along with their missions. Separating arrangements and plans to suit long-term retirement schemes, communication lock-in and teaching all pertinent partners like stakeholder are certain core activities. Providing excellent services is the core strength of the company in safeguarding their members' savings since the main vision is to help the members in their retirement savings.

The company was established in 1951 pursuant to the Employees Provident Fund Ordinance 1951 under the National Director of Posts with the total of 15,063,394 members until June 2021. Meanwhile the total of employers is 551,162. During that year, EPF Act 1951 was the main law that was established but in 1982, the Act was changed to EPF Act 1991 in 1991. That Act emphasized that members must make a contribution towards retirement savings, but it will allow those who have special purposes to withdraw it. As of 31 December 2012, EPF has 13.6 million members in which 6.4 million are actively contributing members while 502,863 of them are contributing from employers. This company is the fourth largest pension fund in the whole Asia and seventh largest in the world in the year 2019 since it has successfully stood at RM298 billion (US\$226 billion) during that time. Overall, total employees that make up the backbone of the EPF are more than 5,700 employees while Manjung Branch specifically has 25 total employees including the industrial training students. Below is the figure of organizational structure for the Manjung Branch.

Organizational Structure

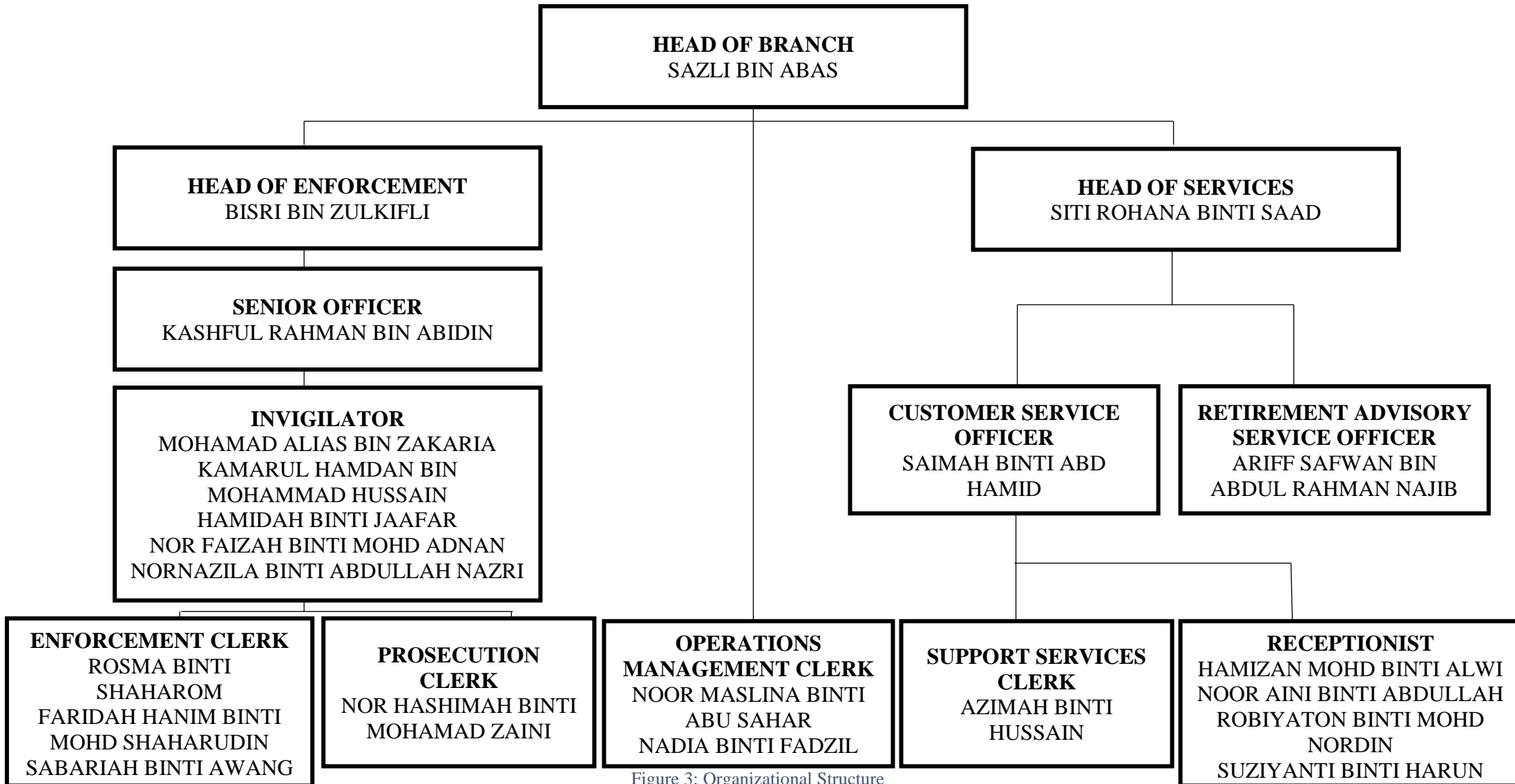


Figure 3: Organizational Structure

Products and Services Offered

Employees' Provident Fund (EPF) is a company that provides retirement savings services according to the Employees' Provident Fund (EPF) Act 1991. The fund is divided into two segments which are for the member and employer. Firstly, I will explain services provided for the member that consists of Registration, Contribution, Withdrawals, Investment, Nomination, and Retirement Advisory Service (RAS). Registration refers to various ways to register as an EPF member. Among the ways to register are firstly, through the automatic registration using Form EPF 6 (Form A), which is when the employer makes the first contribution to the member. Secondly, through at-the-counter registration when the member comes at the EPF branches counter using form EPF (registration). Thirdly, it is through the member i-Akaun. Lastly, through the registration at kiosk by using MyKad whereby they will need to verify using a thumbprint at any kiosk. Second is contribution that is further divided into mandatory contribution, voluntary contribution, and others. The mandatory contribution is calculated based on the monthly salary divided into two accounts which are Account 1 which is 70%, Account 2 with 30%. After the members reach their age of 55, it will become Akaun Emas and Akaun 55. Voluntary contributions on the other hand consist of self-contribution, i-Saraan, i-Suri and top-up Savings Contribution while others are unclaimed contributions and contributing more than the statutory rate.

The third is withdrawals which includes partial withdrawal and also full withdrawal. Partial withdrawal is at Age 50, Education, Buy Home, Build Home, Reduce or Redeem Housing Loan, Housing Loan Monthly Instalment, Flexible Housing, PR1MA Housing, Hajj, Health and More Than RM1 Million Savings. Then full withdrawal is Age 55. Age 60, Pensionable Employees and Optional Retirement, Incapacitation, Leaving The Country and Death. Fourth is investment which is available for those who are interested in joining the Members Investment Scheme (MIS), if they have sufficient amounts from Account 1. Fifth, nomination when members want to appoint an individual or institution to receive and oversee their EPF savings through i-Akaun or visit the nearest EPF branch. Lastly, Retirement Advisory Service (RAS) which helps members for a better retirement not only to be financially literate, but also to understand the sustainable retirement options so they can increase their retirement savings.

Meanwhile, services provided for the employer are registration, contribution, update and maintain records, compliance and enforcement, and the latest one is e-PAYROLL.

Registration is important especially for new employers that want to hire a worker for the first time. This is whereby within 7 days, they need to prepare the documents and make a registration at the nearest EPF counter. Second, contribution is divided into three sections which are all about employer responsibility, e-Caruman and e-CTML. Employer responsibility is to pay their employees according to monthly contribution rate (third schedule), while e-Caruman is a payment at an online platform namely i-Akaun, and then e-CTML is used when the employer provides incomplete information. Third, update and maintain records by always keeping up-to-date information like changes in the employer's name or status and address, retrenchment of workers and termination of operations. Fourth, compliance and enforcement is when an employer fails to submit a contribution, so they will receive penalties. Lastly, e-PAYROLL which is the latest system provided by the enforcement at i-Akaun (Employer) for employers who want to record digitally their information to ease payment transactions.

TRAINING'S REFLECTION

My industrial training starts from 1st March 2021 to 13th August 2021 which is equal to 24 weeks. Similar to the normal working hours for most companies, the office hours start at 8:00 a.m. to 5:00 p.m. from Monday to Friday. During Conditional Movement Control Order (CMCO) my working hours always change depending on the situations. Sometimes the counter will close at 2:30 p.m. or 3:30 p.m. and I will leave the office at 4:30 p.m. Latest, from 1st June 2021 to 9th July 2021, I have to work from home (WFH) as the company closed all branches of offices and counters. Then, start 12th July 2021 continue back for work from offices since i-Citra withdrawal programme and my working hours start at 8:30 a.m. to 2:00 p.m. only. I am undergoing my industrial training under the Enforcement department, Services department and Operation department. Generally, I cover all the departments mentioned during my industrial training since my supervisor wants to train me to perform well in all working conditions.

For the first week of my industrial training, I started my service at the Enforcement department and Operation department. During the second week of my industrial training, I went to the Services department and the department rotations went on every week. I held many responsibilities with different types of tasks depending on the department. Under the Enforcement department, I was responsible for attending the employer asking about their problems, whether it can be solved at i-Akaun or I will attend them to the inspector. This is because staff at the Enforcement department will make sure that employers are able to submit their contributions on time as it will affect their employees. For example, the task that I did when attending employer were to open a new company in the system, register a new i-Akaun for the new employer, submit contribution, submit suspension document, cancellation of employer, managing the complaints from employees when they do not get their monthly contribution from employer, adding new employees and check employer status at system. I also had the experience where I had to attend Manjung court for cases where employers failed to submit their contributions.

As for the Operation department, I helped staff to key in data such as for the letter by the Enforcement department, listing check and listing for item's office for record of indent. Other than that, I also helped other staff to scan and photostat documents. Another task that I managed to assist was disposing old documents and pamphlets as nowadays, any affairs will be on system or using i-Akaun. If there were any programmes held, I did help in making the preparation in making sure that the activities will run smoothly without any problems. The

programmes that I was involved in were the welcoming of Datuk Seri Amir Hamzah Azizan and Ahmad Badri bin Mohamad Zahir at EPF Manjung Branch, a farewell programme at Sfera Hotel, where I help to prepare some foods for iftar and 5s programme where I need to change and restructure documents according to the latest update.

Lastly, the main task that I was responsible for was to attend to members at the kiosk. Since the first day of my industrial training there, I learned something new about members and EPF has this motto which is to be patient all the time in helping members to solve their problems. Examples of task that I managed to do was in updating their phone numbers, to help them register for the first time as a new member, to assist them to register a new i-Akaun, updating new information at i-Akaun, submitting nomination, registering account as shariah dividend policy, retirement withdrawal using i-Akaun, education withdrawal and last but not least was printing statement. As for i-Lestari, i-Sinar and i-Citra withdrawal that were announced early this year due to the pandemic, I was assigned to assist members to register new applications and update the amount for i-Sinar while for i-Citra it is available for register only. I was also assigned to key in the information of members who had chosen to do withdrawal using cheque and print it, and then to make a call to inform them to come and collect the cheque.

During industrial training at this company, I received RM750 allowances for three months only with one-day rest leave every month. I cannot express how much I am falling in love with industrial training at this company because there were a lot of benefits that I gained. Sometime I wish I can get more extra time to enjoy at this company since I am very love it with the environment so it was make me feel sadly to finished my industrial training. They have taught me about a lot of things especially on how to attend to the members and the employer as there were a lot of different kinds of people who came in with their own conditions as well. I had the chance to see behind the scenes of how a bigger company works in handling and managing their services as well as in ensuring that they manage to convince members and employers to have their own retirement savings. Lastly, this industrial training built my confidence to face a lot of people even when unexpected situations occur and how to properly communicate with other people.

SWOT ANALYSIS



Figure 4: SWOT Analysis

The strengths of the Employees' Provident Fund (EPF) are first, wide products and services offered to the members. With the main intention which is to grow their members' retirement savings in order to make their members able to have a comfortable retirement journey in the future, they offered various products to them. Some of the products and services provided by the company are Unclaimed Contribution, Contributing More Than The Statutory Rates and voluntary contributions where they have Self Contribution, i-Saraan, i-Suri, and Top-up Savings Contribution. Next, for partial withdrawal, they have schemes such as Age 50, Buy Home, Education, Build Home, Reduce or Redeem Housing Loan, Housing Loan Monthly Instalment, Hajj, Flexible Housing, Prima, More than RM1 Million Savings and Health. There are also subjects for full withdrawal which are Age 55, Age 60, Pensionable Employees and Optional Retirement, Incapacitation, Leaving The Country, and Death. In addition, EPF provides Investment Activity, Nomination and the important service is Retirement Advisory Service while for an employer there are also provide for making Contribution, Update and Maintain Records, Compliance and Enforcement and e-PAYROLL. Employees' Provident Fund is a company with strong financials as they have total assets of RM927,894.93 million, indicating 11% increase from last year and total gross income increase by 1% to RM49,756.59 million. The company gained more than 100% for capital gains from the disposal of investment which is RM1.75 billion compared to the amount recorded in 2018. Lastly, the company has an efficient integrated IT infrastructure that helps a lot in terms of the customer interaction and ease daily operation with a smooth system. The latest IT applied, and system used in collecting, recording and managing data has tremendously helped in ensuring best company performance. Nowadays, most customer interactions occur through multiple electronics channels such as the EPS Websites, Kiosks, and also i-Akaun. This is proven with the increase of 24.12% to 104.88 million interactions this year.

Besides, the weakness of the company is the shortage of cash since the government allows members to withdraw their savings from EPF account 1 and account 2 during this pandemic. Malaysian government and Employees' Provident Fund (EPF) allows members to withdraw up to RM10,000 or up to 10% for those who have saved more than RM10,000 from account 1 while for account 2 members are allowed to withdraw a maximum RM500 a month or RM6,000 per year. Hence, companies will have a shortage of cash and it will also give a huge impact towards retirement savings' members if they misuse the cash withdrawal. Next, strict conditions for EPF withdrawal for the process to approve any withdrawal from account's members as they should follow the terms and conditions for each type of withdrawal. For each

withdrawal, EPF will set a ceiling and dispense cash in a staged way since numerous of its resources are not in cash. For example, to apply withdrawal for health, members must complete form, provide certificated original copies of medical report by medical institute, original medical examination bills, confirmation from employer if the medical expense was bear by the employer then it will take at least two weeks for approval. Lastly, EPF investment issue is decreasing dividend rates. For the year 2020 dividend rate by the company is 5.20% by conventional while 4.90% for shariah compared with the last year 2019, dividend rates for conventional are 5.45% while shariah 5.00% so from this situation it shows dividend rates by the company was decreasing. With 14.6 million members' retirement kitty so the EPF should has to produce steady and feasible returns to get it at least a 2.5% nominal dividend and beat expansion by a slightest 2% on a rolling three-year basis. EPF also announced 2019 dividend profit brings down the floor comparison to the 4.5% after the worldwide money related emergency in 2008.

Meanwhile, for the opportunities of the company is first, changing their customers' needs. EPF had launched the Public Consultation Survey where they invite all members and public to give feedback in order to improve themselves, perceiving the ever-changing need and necessities of its individuals, particularly in this unstable and questionable world. The survey was open online for the time of eight weeks. This survey enables them to accumulate as input as conceivable to assist create, create, move forward, and possibly update the company plot for the long run. For example, the latest issues are companies removing eligibility criteria and applications are automatically approved for i-Sinar withdrawal since companies receive a lot of complaints before this from members when they have to take a long time to receive approvals. Next, the company achieved their development of new technologies by launching new products and services using an online platform which is i-Akaun (Employer) portal. This portal serves basic functions for the employer's statutory commitment as well as counting company commitment carefully. They also upgrade their existing online framework with e-PAYROLL. e-PAYROLL helps customers to maintain payroll digitally and ease payment made to EPF. During this Covid-19 pandemic, it is inevitable not only for the company but also for customers to adopt usage of digital platforms. Lastly, they gain opportunities as the government announced subsidies for company products and services which are i-Saraan and i-Suri. i-Saraan means Voluntary Contribution with Retirement Incentive, where members who are below 55 years of age self-employed and do not have regular income can join this scheme because at the same time they can get extra commitment from the government. For those who have savings

for one year RM1,700 they will receive a special incentive from the government RM250 while for those who are not able to contribute RM1,700 for a year they will get only 15% from their savings and also death benefits RM2,500. Then i-Suri is for housewives who are below 60 years of age and was registered under E-Kasih. They can join this scheme where they will receive a contribution from the government RM480 per annum along with death benefits RM2,500.

Last but not least, threats the company faced are globalisation pushes due to the issues that remained unsolved in the global markets that will increase pressures globally when it happens. For example, even though the US-China trade war still does not show signs to end, the world is facing an even more challenging year in 2020 when the Covid-19 virus drags down soft global growth. Based on the situation, each country's trust on the residential markets will be volatile, especially announcements from the government with stimulus packages that can help domestic sentiment and also investors. Next, threats arise from Covid-19 pandemic as companies face a lot of challenges, especially in managing members' funds to make sure their performance can maintain for a long time. From the announcement by government during lockdown, all EPF offices and kiosks will be closed until the cases decrease and but during Movement Control Order (MCO) nationwide, EPF offices and kiosks can open their company but must follow the strict observance of SOPs. Other than that, companies faced high issues towards online scammers and fake news in online platforms since people tend to believe the news spread online thus creating issues and misunderstanding. For example, i-Sinar scammers take advantage to make members confused by pretending to be agents and calling members as if they want to assist in getting approval for the i-Sinar withdrawal scheme and same with cases for changing nomination issues. Furthermore, the economic condition was changing the financial environment in the country. Due to the worsening economic condition, the government allows members to withdraw their savings from account 1 and account 2 for those who are affected due to unemployment, unpaid leave, salary cuts and reduced business activities. Numerous people are enduring low salary and failure to pay their bills and necessities, indeed presently as the economy is gradually recouping. In 2019, the progressing instability over a Brexit bargain, political insecurity and geo-political pressures within the Middle East being as reasons weakening market conditions coupled with the instabilities emerging from the US-China trade war.

REGRESSION ANALYSIS

Factor Affecting Investment Decisions on Food and Beverages Companies in Malaysia.

Abstract

This study aims to examine the effect of liquidity, leverage, and fixed capital intensity on investment of companies. In this research, the sample used are 10 firms with the highest market cap in the food and beverages companies listed in Bursa Malaysia to determine which firms' specific factors are reliably important in explaining the investment of these firms. Data was collected from time period 2011 to 2020 using online platform, Thomson Reuters Eikon a software product for financial professional provided by Refinitiv to analyse financial information in real time market data. Descriptive and regression analysis have been used for this research to understand the factor affecting the factors affecting firms' investment decisions using Stata software. Based on the previous paper, I decided to use growth as the proxy of investment that is used for dependent variables in this research while three independent variables used to explain investment are liquidity, fixed capital intensity and leverage to differ from previous research. From the findings of the papers, the results show that were the leverage has a positively affect on the firms' investment while fixed capital intensity and liquidity negatively affects firms' investment. In addition, the results explain more about the suitability test model between investment decisions towards liquidity, leverage, and fixed capital intensity influence firm value.

Introduction

Corporate investment knowns as how much company generate their income in the future with using the quantity of capital which invest or spent it based on what company expect to gain back. For producing more outputs in the future, firms should make a new investment that consists as addition to its existing assets and it could be financed either by internal or external sources of funds (Sheikh & Siddiqui, 2019). Decision for investment should not be focus on creating profit and revenue only. Firm should minimizing expenses and increase saving money in consideration when making investment (Ullah, 2017). Food and beverages industry is one of the sectors with high volume of demand since people tend to enjoy ready to eat food or fast food due to change in lifestyle (Mahzura et al., 2016). Financing of company from day-to-day operations can enhance firms' working capital as it is linked with liquidity or cash flow to ensure the firm has sufficient cash reserve (Joshi et al., 2020). Different aspects with different results will shows on financial. In addition, company with a high liquidity can boost investment decision by providing more internal funds and increase collateral backing of the firm (Pacheco, 2017). Therefore, the basic purpose of this study to classify the most important variables that will affect investment decision as dependent variables.

Literature Review

Many studies have been conducted in several nations to examine the factor affecting investment decision on food and beverages companies in Malaysia. To stay in line with the past studies, factor affecting investment decisions on food and beverages companies using a proxy by previous research to measures of the dependent variable and independent variables. The results after subsection will clarify on the investment decisions as dependent variable and list of independent variables as columns in these studies.

1. Investment Decision

Activity in distributing cash with the main expectation to gain a few benefits within the future known as investment. According to Edusei-mensah (2015), the investment made whether it will result in expanded fortunes of the firm's stockholders and to the firms itself is the choice by the company. Sajid et al., (2016) state that company that have the most future risks that affect the actual gains from the investment can be seen clearly from the investment decision that taken by the company. Value of investment depends intensely on upcoming events and instability surrounding so it is critical for each business entity to understand and prepare themselves for any circumstances that arise due to the investment (Ullah, 2017). For this study, growth rate of fixed assets will be utilized as the proxy of investment decision. To illustrates how to calculate the growth rate of fixed assets, it will be measures based on the increasing or decreasing in fixed assets with compared it to previous year.

2. Liquidity

Liquidity is when a company resources or asset can be changed into cash. In addition, liquidity able meet short term obligations with can be measured using a various ratio such as current ratio, net working capital and quick ratio. The main reasons company want to be in a good liquidity position is because they want to raise cash to pay their commitments or current liabilities moreover known as short term liabilities. Based on the previous studies, investment decision of a company may influence by liquidity (Albulescu, 2020). Imperfection in the capital marketplace it can affected towards company's investment since the liquidity reliant to internally company (Edusei-mensah, 2015). However, level of liquidity with the level of cash holdings showing the cheapest cost of investment level towards company (Albulescu, 2020).

Thus, investment decisions have other factors that might influence a significant relationship not only a liquidity. Hence, this variable present with the hypothesis relationship between investment decision and Liquidity as (H₁).

H₁: There is a significant relationship between the company investment decision and Liquidity.

3. Fixed Capital Intensity

Fixed capital intensity represents asset tangibility which suggests the sum of fixed or real capital is related to the production of the company. According to Ullah, (2017) fixed capital intensity used the ratio of fixed assets to total assets to reflects the firm's operation. To achieve company performance, company can increase their capital intensity with moved forward quality of production and on time production (Gamlath & Y, 2015). Based on the proxy, gross fixed assets were utilized within the equation since different firm use different methods of depreciation rather than used net fixed assets because company want to avoid irregularity problems of data. Thus, this study come out with the following hypothesis (H₂).

H₂: There is a significant relationship between the company investment decision and Fixed Capital Intensity.

4. Leverage

Firms use leverage to increase the returns on investment and it is known as amount of debt firms used to finance their assets. Among distinctive strategies of corporate financing, organization will used financing leverage as debt instruments to raise funds for short term as well as long term Level of investment opportunities can be measured to identify company's debt maturity movement, increase company's growth, positive result on short-term debt, investment opportunities for connecting companies and make an adjustment towards investment opportunities since all of that indirectly linked to the maturation of the debt (Sajid et al., 2016). In addition company able to perform highest in the bottom quartile since from the decline observation able to move towards the top quartile (Chipeta & Deressa, 2016). Therefore, following hypothesis will be used in this study (H₃).

H₃: There is a significant relationship between the company investment decision and Leverage.

Research Methodology

This study conducted for identify factor affecting investment decision on food and beverages companies in Malaysia. 10 companies listed under Bursa Malaysia under food and beverages industry was selected in Bursa Malaysia with have largest market cap by using secondary data. The ten companies which selected for this study are Nestle (Malaysia) Bhd, PPB Group Bhd, Fraser & Neave Holdings Bhd, Heineken Malaysia Bhd, Carlsberg Brewery Malaysia Bhd, Guan Chong Bhd, Dutch Lady Milk Industries Bhd, MSM Malaysia Holdings Bhd, Ajinomoto Malaysia Bhd and Malayan Flour Mills Bhd.

Thomson Reuters Eikon online database as a platform for collected data with main purpose to identify the factor affecting investment decision on food and beverages companies in Malaysia. The data consists as financial data, financial statement, performance of companies and other data related. Data was collected for past ten year from 2011 to 2020 which represent 100 observations using STATA 14 software. This analysis is suitable used this technique since it is the most reliable research instrument that combines both cross sectional and time series hence it shows short time dynamics changes. In addition, various online journal have been used it by researcher such as ResearchGate, Emerald, ScienceDirect and other.

Therefore, this study present hypothesis which are affect of liquidity, fixed capital intensity and leverage on investment decision. Other than that, to decide the figure that affect the investment decision towards the various food and beverages companies in Malaysia can be as a vital matter in this study. Then, it is also can bring an exact result where it can help more companies in making the choices for their budgetary execution of the way better in future. The way to calculating then as shows in the following table for variable description and figure known as theoretical framework for this research.

Theoretical Framework

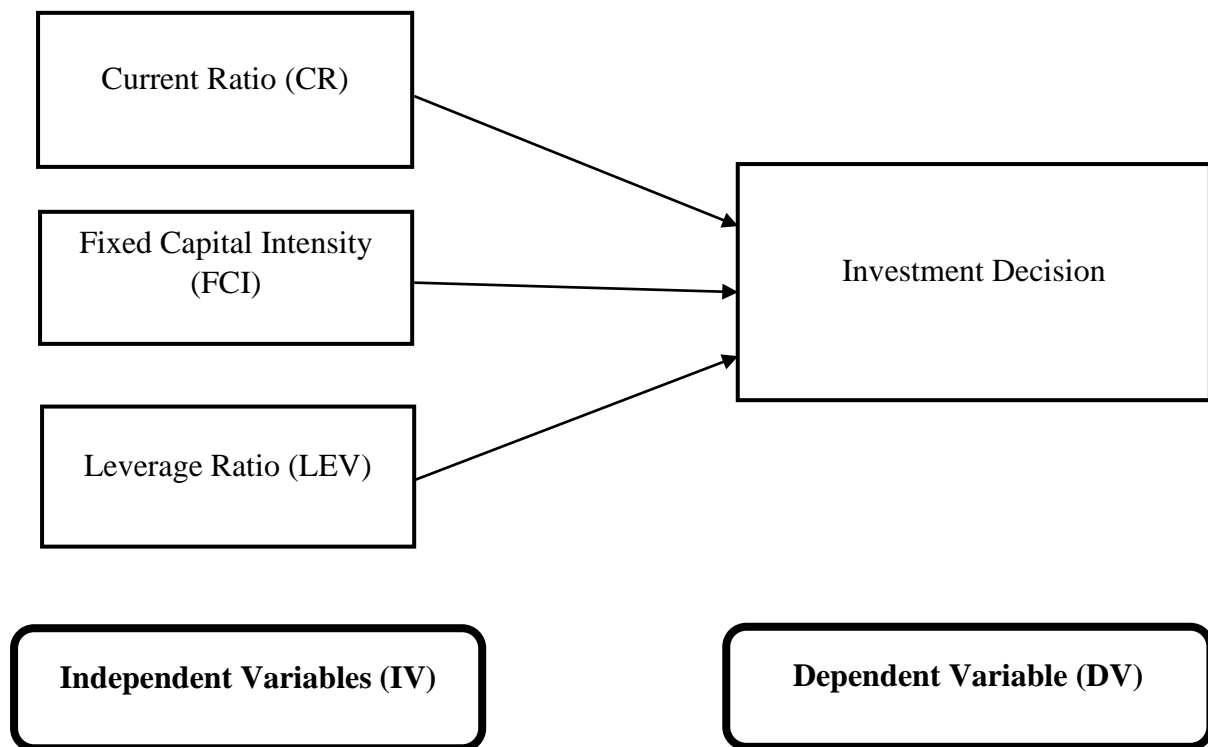


Figure 5: The Theoretical Framework

Table 1: Variable Description and Measurement

Variables	Proxy	Measurement
Dependent Variables		
Investment Decision	Growth Rate of Fixed Assets	$(\text{Ending Fixed Assets} - \text{Beginning Fixed Assets}) / \text{Beginning Fixed Assets}$
Independent Variables		
Liquidity	Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$
Fixed Capital Intensity	Fixed Capital Intensity	$\text{Gross Fixed Assets} / \text{Total Assets}$
Leverage	Leverage	$\text{Total Liabilities} / \text{Total Equity}$

In order to complete this study, the component used for factor affecting investment decision on food and beverages companies in Malaysia is a simple linear regression equation. Below is the equation that will used in this study to investigate relationship between investment decision and independent variables which are liquidity, fixed capital intensity and leverage.

$$GROWTH_{it} = \beta_0 + \beta_1 CR_{it} + \beta_2 FCI_{it} + \beta_3 LEV_{it} + \varepsilon_{it}$$

Where:

$GROWTH_{it}$: Growth Rate of Fixed Assets i at time t

$\beta_1 CR_{it}$: Current Ratio of company i at time t

$\beta_2 FCI_{it}$: Fixed Capital Intensity of company i at time t

$\beta_3 LEV_{it}$: Leverage of company i at time t

β_0 : Estimated coefficients of the independent variables

ε_{it} : Error term of company i at time t

Findings and Analysis

Descriptive analysis

Table 2 present a summary of the descriptive statistics of all variables for the ten listed companies under food and beverages companies in Malaysia for period of ten years from 2011 to 2020 with total 100 observations. The table reports the number of observations, mean, standard deviation, minimum and maximum of all variables to give an overall description of data used and to serve as data screening tool to spot unreasonable figure.

Table 2: Descriptive Analysis for ten (10) Food and Beverages Companies in Malaysia

Variable	Obs	Mean	Standard Deviation	Min	Max
GROWTH	100	0.10	0.18	-0.21	0.99
CR	100	2.08	1.80	0.59	10.7
FCI	100	0.63	0.31	0.00	1.3
LEV	100	0.45	0.59	0.00	2.87

Notes: GROWTH= Growth Rate of Fixed Assets, CR= Current Ratio, FCI= Fixed Capital Intensity and LEV= Leverage

Table 2 shows the descriptive statistic for factor affecting investment decision on food and beverages companies in Malaysia. 100 number of samples of observation was shown in table that used for this study. CR has the highest mean which is as 2.08 followed by FCI which shows as 0.63 and LEV as 0.45 while the lowest mean is GROWTH as 0.10. Besides, for standard deviation, the highest is CR with figure as 1.80 followed by LEV as 0.59 and FCI present as 0.31. Based on the data for mean value, CR has the greater spread compared with others. Then, FCI present as the lowest standard deviation which is only 0.31. Furthermore, for the minimum and maximum value, the highest of figure shows by CR which are 0.59 and 10.7 while the lowest is GROWTH which are only -0.21 and 0.99.

Correlation Analysis

On this analysis, correlations are to identify if there have a relationship between variables and the strength of the relationship.

Table 3: Correlation Analysis for ten (10) Food and Beverages Companies in Malaysia

	GROWTH	CR	FCI	LEV
GROWTH	1.0000			
CR	-0.1643	1.0000		
FCI	-0.0818	-0.2340	1.0000	
LEV	0.2046	-0.3835	-0.0694	1.0000

Table 3 report the correlation analysis between Growth, CR, FCI and LEV on food and beverages companies in Malaysia. LEV shows that it has highest positive correlation which is as 0.2046 compared with CR and FCI which present negative correlation which are -0.1643 and -0.0818. It can be concluded that LEV is the one variable that have a positive correlation with growth rate of fixed asset. However, the CR and FCI present negative correlation so it can be concluded that is that does not have relationship with growth rate of fixed asset. Then, variables that most important to determine the level of financial performance company growth is LEV.

Panel Specification Tests

To confirm that the presence of factor affecting investment decision on food and beverages companies in Malaysia, this study conducted several panel specifications tests to investigate whether null hypothesis can be accepted.

Table 4: Panel Specification Tests for ten (10) Food and Beverages Companies in Malaysia

Model	F-Test	BP-LM Test	Hausman Test	Technique
Model 1	0.2448	1.0000	0.0417	Fixed Effect (FE)
	POLS	POLS	Choose FE	

Panel Specification Tests associate with three tests which are F-Test, Breusch and Pagan Lagrangian Multiplier Test (BP-LM) and Hausman Test. Based on the table above, F-Test results is 0.2448 which means it more than 0.05 so it indicates that POLS is more appropriate than Fixed Effect model. For Breusch Pagan and Langrangian Multiplier test results is 1.0000 which means p-value more than 0.05. This present that POLS is more appropriate than Random Effect model. Lastly, Hausman Test represent 0.0417 results which means it is less than 0.05 so Fixed Effect (FE) model most appropriate. For overall test, Fixed Effect (FE) is most appropriate model for this study.

Diagnostic Tests

This test to identify the present multicollinearity, heteroscedasticity, and serial correlation whether it have a problem in this study.

Table 5: Diagnostic Tests for ten (10) Food and Beverages Companies in Malaysia

Model	Multicollinearity	Heteroscedasticity	Serial Correlation	Strategy to rectify
Model 1	1.19	0.0000	0.0000	Fixed Effects (within) Regression with Cluster Option
	No Multicollinearity Problems	Problem Heteroskedasticity	Has Serial Correlation Problems	

Based on the table 5 above, multicollinearity is not a problem in this study since the variables shows it Variance Inflation Factors (VIF) less than 10 which is 1.19. Next, for heteroscedasticity the results are 0.0000 means it p-value less than 0.05. This means that variable is not constant due to a heteroskedasticity problem. Then, serial correlation test (Autocorrelation) results show 0.0000 which is less than p-value as 0.05. This indicates that it have serial correlation problem in this study. Overall, Fixed Effects (within) Regression with Cluster Option is suggested to overcome the problems.

Fixed Effect Model: Factor Affecting Investment Decision on Food and Beverages Companies in Malaysia.

Table 6: Regression Analysis for ten (10) Food and Beverages Industry in Malaysia

Variables	Fixed Effects (within) Regression with Cluster Option
CR	-0.0133***
	(-2.89)
FCI	-0.0603
	(-1.12)
LEV	0.0452***
	(2.87)
Constant	0.1458***
	(2.81)
N	100.0000
r2	0.1721
r2_a	0.0579
r2_w	0.0014
r2_b	0.5481
r2_o	0.0601
F	0.1195
p	0.0000
chi2	34.5258

Notes (1) *t* statistics in parentheses

Notes (2) *Significant at 10% level, **significant at 5% level, ***significant at 1% level

Notes (3) definition of variable: CR: Liquidity, FCI= Fixed Capital Intensity, LEV= Leverage

Regression Model

$$GROWTH_{it} = 0.1458 - 0.0133 CR_{it} - 0.0603 FCI_{it} + 0.0452 LEV_{it} + e_{it}$$

Based on the table above shows that regression result present adjusted r2 is 17.21% means only from that percentage dependent variable have a movement between independent variable in this study while another by variables not included in this study. The table shows 100 observations from ten companies under in food and beverages in Malaysia.

The results indicates that liquidity show a significant negative relationship with growth rate of fixed assets. This means that one unit increase in liquidity will cause growth to decrease by 0.0133 unit. Same with the previous study shows that liquidity have negative relationship with growth rate of fixed assets so company should identify way to increase their liquidity instead of increasing with make a detriment of liquidity level (Albulescu, 2020) . Therefore, hypothesis 1 (H₁) can be accepted.

The negative results for fixed capital intensity had present that fixed capital intensity is insignificant with negative relationship between growth rate of fixed assets. The finding estimate that it investment decision will decrease when fixed capital intensity company increase one unit. It is in line with previous study also shows negative relationship with should oversee back their optimum level of capital intensity then able getting right way of financing (Gamlath & Y, 2015). Then, for hypothesis 2 (H₂) cannot be accepted.

Meanwhile, leverage shows the positive relationship and most significant with growth rate of fixed assets. This means leverage influenced towards investment decisions of company. This is supported by Chipeta & Deressa (2016) that present company increasing their earnings from the accounting methods so it able to perform as highly leveraged firms. Thus, hypothesis 3 (H₃) accepted due to the significant and positive relationship between liquidity and growth rate of fixed assets.

Discussion and Recommendation

The researcher found that there are few recommendations the company can consider knowing the factor affecting investment decisions on food and beverages companies from data available. Therefore, investment have an affect towards investment in working capital especially in corporate performance and value. Company should evaluate back their companies' policies for making dividend policies, firm leverage, and capital budgeting policies able making investment along towards it.

The regression results show negative significant relationship with liquidity but positive significant relationship with leverage. Study by Joshi (2020) also support the same results which suggest to focus more towards financing cost of company like interest or other charges that will involves in the borrowing to purchase assets by company manager so it can minimizing the amount of investment. Same goes with previous study, negative influence of liquidity towards investment behaviour shows company should increase their liquidity with reduction in the investment growth rate and conversely. This is because if company have a highest of investment it can make it liquidity being detriment (Albulescu, 2020).

Leverage has the greatest influence on the level of growth. Then, since leverage able to help stimulates investment decisions of company, the company should be more careful in making investment decision (Sheikh & Siddiqui, 2019). Furthermore, to prepared for unexpected condition of economy, government should be well prepared by implementing relevant fiscal and monetary policies in place to make sure all the financial sector able to perform with strengthen its role of providing loanable funds at reasonable cost as much company needed (Aminu & Raifu, 2019). Besides, since the results of the company shows fixed capital intensity has negative relationship with investment, company have to prevent it by making sure that managers always make a best decision to increase capital intensity because it may affect the debt financing level (Gamlath & Y, 2015).

Future research can focus on the government. Government should adopt working measures on the macroeconomic scale because it would strengthen the local currency compared with foreign counterparts. Even though company has positive on investment it is also has inflationary consequences and it is a threats to economic stability when in high inflation situations (Edusei-mensah, 2015). Study by Phan & Nguyen (2020) political aspects and economic aspect is two important condition that company should considered since it able affect investment behaviour.

Conclusions

Investigate objective of this paper is look at the relationship between investment decisions which influenced by Fixed Capital Intensity, Liquidity, and Leverage. Food and beverages industry has a higher growth of performance compared with non-oil and gas industry. The result from the consider appears the objective for this consider succeed since a few reasons expressed come time recently and was upheld by the literature review. This study also help researcher to gain a new knowledge and explore new skills while for company manager it able to prove that leverage gain more profit and become more competitive in investment decisions.

Determinants of firms' investment decisions from the viewpoint of noteworthy relationship between dependent variables and independent variable by using Stata software. Only two independent variables had significant relationship with investment decisions which are leverage and current ratio. Leverage helps firms make incentive investment decisions since relationship between leverage and investment decisions is truly positive. However, fixed capital intensity has no significant and negative relationship with investment decisions. It indicates that fixed capital intensity does not help investment activities to be intensive.

To identify the best factor that contribute on factor affecting investment decisions on food and beverages companies it can be seen from the positive Correlation Analysis result. The independent variable with positive Correlation Analysis is Leverage since it the has the most noteworthy and most grounded commitment that affected the investment. The level of investment of a company must be adjusted with their current budgetary position and their futures goals that they attempt to realize. From the previous study, net investment decrease cause financial leverage ratio increase when financial leverage has negative and significant impact toward net investment (Sajid et al., 2016a).

Lastly, investment activities for financial sources depends on the economy condition especially during downturn economy as investment solely depends on their internal funds which is cash flow. It is different from normal economic condition as company focus more on external funds compared with internal funds to finance their investment. Large company able to get higher return or large capital by achieving economies of scale because large company have their own benefits, thus it is easy to get to capital markets and will pay least intrigued rates on borrowed funds (Ullah, 2017). Hence, it is important for company to provide useful policy directions, stronger administrations, and legal framework then from that it able to access capital markets.

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Figure 10: Welcoming Datuk Seri Amir Hamzah Azizan



Figure 11: Welcoming Ahmad Badri bin Mohamad Zahir



Figure 12: Puspanita Event



Figure 13: Farewell Event

Factor Affecting Investment Decision on Food and Beverages Companies in Malaysia

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