UNIVERSITI TEKNOLOGI MARA

FACTOR AFFECTING PROFITABILITY CONSTRUCTION INDUSTRY IN MALAYSIA

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ABSTRACT

In any competitive global environment, these are some of the primary aims of every firm to remain sustainable. To accomplish so, the firm must create, implement, and sustain strategies that can improve its performance. This may be accomplished by analysing the internal and external elements that may affect the company's profitability. Managers' quality and efficiency are determined by their capacity to recognise components that might lead to improved profitability. In general, profitability is defined as a company's earnings that are generated from revenue after deducting all expenses incurred during a given period. Based on four independent variables that were empirically examined for their relationship with profitability.

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CHAPTER ONE

INTRODUCTION

INTRODUCTION

The focus of this research would be to investigate the factors that impact profitability in construction Malaysian public listed companies. Profitability has really been among the most essential foundations for every strategic and long survival. Although profit would be the primary goal of any firm. Fortunately, little attention has been dedicated towards the elements that influence profitability in growing economies. This study looks somewhere at elements that influence profitability in Malaysian publicly listed companies.

BACKGROUND OF THE STUDY

One of the main goals of any company is to be sustainable in any competitive environment. To do so, it is important for the company to create, apply, and sustain tactics that could also improve the productivity This may have been performed by researching the different factors that affect the financial performance of an organization. Quality as well as effectiveness of managers depend on their ability to identify those elements that can lead to increased profitability. In general, profitability is characterized as a company's earnings from sales after subtracting all costs made within a certain period. It is one of the most significant indicators of managerial performance, stockholder appreciation, investment attraction, and the company's long-term survivability. (Mustafa Bekmezci, 2015).

Undoubtedly, the goal of any firm is to maximize the wealth of its shareholders by increasing the value of its stocks. Studies have found a positive relationship between earnings and stock values (Dj Kalama, 2013). In other words, if earnings announcements come as expected or are better, stock prices will increase, but if earnings announcements fall short of expectations, the stock prices will decline.

A majority of companies, if not all, realize the concept and the importance of profitability However, they may be unaware of how to improve it or what elements influence profitability. This is more obvious during a time of during a financial crisis, several organisations strive to retain their financial standing by taking riskier steps, nevertheless, owing