

UNIVERSITI TEKNOLOGI MARA

**CORPORATE GOVERNANCE AND FIRM
PERFORMANCE AMONG SHARIAH AND NON-
SHARIAH APPROVED COMPANIES IN
MALAYSIA**

MOHD ARIFF MUSTAFA

Dissertation submitted in partial fulfillment of the requirements
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CANDIDATE'S DECLARATION

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

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Name of Candidate	:	MOHD ARIFF MUSTAFA
Candidate's ID No	:	2009346809
Programme	:	Master of Accountancy
Faculty	:	Faculty of Accountancy
Thesis Title	:	Corporate Governance and Firm Performance among Shariah and Non-Shariah Approved Companies in Malaysia

Signature of Candidate

: 

Date

: 15/8/2012

ABSTRACT

This study attempts to analyze the trend of corporate governance and to investigate the relationship of corporate governance and firm performance among the Shariah and non-Shariah approved companies in Malaysia focusing on the elements of board independence, ownership structure, board size, CEO duality and board gender diversity. The motivation of the study is to see the implication of MCCG 2007 Revised Code toward the company's corporate governance and hence, boost up the company's performance among Shariah and non-Shariah approved companies in Malaysia. The data are gathered from the analysis of companies' annual reports for a sample of top 50 Shariah approved companies and top 50 non-Shariah approved companies based on its market capitalization over a period of 2009 and 2010. The study employs t-test and regression analyses. The preliminary results of this study reveal that most Malaysian Shariah and non-Shariah approved companies have complied with the recommendation of the MCCG (2000) and MCCG (2007) Revised Code to have an effective of board size and separation of role as CEO and chairman. It is also found that there is a significant relationship between board sizes and CEO duality toward firm performance. In addition, board gender diversity also has a significant relationship with firm performance. On the other hand, there are no associations between board independence and ownership structure to firm performance. The findings of this study is hoped to provide significant contributions in highlighting the important issues regarding the performance of companies with regards to the influence of corporate governance.

Keywords: Corporate Governance, Firm Performance, Shariah Approved Companies, Non-Shariah Approved Companies

TABLE OF CONTENTS

TITLE PAGE	
ABSTRACT	i
ACKNOWLEDGEMENT	ii
TABLE OF CONTENTS	iii
APPENDICES	vi
LIST OF TABLES	vii
LIST OF FIGURES	viii
LIST OF ABBREVIATIONS	xi
CHAPTER ONE: INTRODUCTION	
1.1 Introduction	1
1.2 Research Background	2
1.3 Statement of the Problem	3
1.4 Objective of the Study	6
1.5 Research Question	6
1.6 Scope of the Study	7
1.7 Significance of the Study	7
1.8 Organization of the Study	9
1.9 Chapter Summary	10
CHAPTER TWO: LITERATURE REVIEW	
2.1 Introduction	12
2.2 Agency Theory	13
2.3 Overview of Corporate Governance	15
2.4 Corporate Governance and Malaysian Code of Corporate Governance	18

2.5	Corporate Governance and Firm Performance	
2.5.1	Board Independence	21
2.5.2	Ownership Structure	24
2.5.2.1	Government Ownership	24
2.5.2.2	Director Ownership	25
2.5.2.3	Foreign Ownership	26
2.5.3	Board Size	27
2.5.4	CEO Duality	30
2.5.5	Board Gender Diversity	31
2.6	Measurement of Firm Performance	34
2.7	Introduction to Shariah Compliance Companies	35
2.8	Islamic Compliance Implication on Companies in Malaysia	38
2.9	Chapter Summary	39

CHAPTER THREE: RESEARCH METHODOLOGY

3.1	Introduction	40
3.2	Research Design	40
3.3	Data Collection Design	41
3.4	Population of the Study	42
3.5	Sample Description	44
3.6	Research Framework	44
3.6.1	Measurement of Dependent Variables	46
3.6.2	Measurement of Independent Variables	46
3.6.2.1	Board Independence	47
3.6.2.2	Ownership Structure	47
3.6.2.3	Board Size	49
3.6.2.4	CEO Duality	49
3.6.2.5	Board Gender Diversity	50
3.7	Hypothesis Development	52
3.8	Statistical Analysis	57