

Benchmarking Malaysian Government-Linked Companies' Corporate Governance and Sustainable Development Goals Performance with Public Companies of Developed Countries

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Abstract

Purpose: This study examines the impact of Corporate Governance (CG) and Sustainable Development Goal (SDG) practices on the financial market and company performances of public sector companies in Malaysia, benchmarking against the public listed countries in United States, United Kingdom, Canada and Singapore. The benchmarking is done between a developing country against four developed countries.

Design/Methodology/Approach: Panel data regression is adopted for methodology, and the research timeframe is 2017 to 2021. Eight-panel data models, which are stock return, volatility, investor sentiment, profitability, liquidity, solvency, financial efficiency and repayment capacity models are selected.

Findings: The result shows that board responsibilities, remuneration, audit committee, risk management and internal control, engagement with stakeholders and conduct of general meetings are the CG variables to affect the financial market and company performance. SDG 4, 5, 8, 10, 11, 13, 16 and 17 are significant to the financial market and company performance.

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Originality/Value: The result of this study contributes to policymakers, regulators and practitioners in identifying the best CG and SDG practices that can help the Malaysian GLCs to gain better financial performance. The results assist the Malaysian government in understanding the gap between CG and SDG practices compared to developed countries and advocate the Malaysian companies to adopt better practices.

Keywords: Corporate governance, sustainability, financial market, performance, GLC.