

UNCOVERING CORPORATE VALUES: ANALYSING DESCRIPTIVE STATISTICS MALAYSIAN LISTED COMPANIES

DESCOBRINDO OS VALORES CORPORATIVOS: ANALISANDO ESTATÍSTICAS DESCRITIVAS DE EMPRESAS LISTADAS NA MALÁSIA

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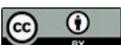
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Abstract

If a business lacks clear core values, its corporate identity and culture may weaken, leading to poor decisions, disengaged employees, and reduced performance. This study aims to examine the core values of Malaysian listed companies by analysing 140 firms using data from annual reports and company websites. Core values were measured following Bourne et al. (2019), which classify values into four categories: efficiency, character, interpersonality, and community. Keywords from company value statements were collected and categorized, with the highest score indicating the company's primary emphasis. The findings reveal that industries differ in the values they prioritize, reflecting their operational needs and strategic objectives. For example, sectors driven by customer relationships highlight interpersonality and community, while capital-intensive or regulated industries focus less on such values. These findings demonstrate how

Resumo

Se uma empresa não possui valores essenciais claros, sua identidade corporativa e cultura podem enfraquecer, levando a decisões equivocadas, funcionários desmotivados e desempenho reduzido. Este estudo tem como objetivo examinar os valores essenciais de empresas listadas na Malásia, analisando 140 empresas utilizando dados de relatórios anuais e websites. Os valores essenciais foram mensurados seguindo Bourne et al. (2019), que classificam os valores em quatro categorias: eficiência, caráter, interpersonalidade e comunidade. Palavras-chave das declarações de valores da empresa foram coletadas e categorizadas, com a pontuação mais alta indicando a ênfase principal da empresa. Os resultados revelam que os setores diferem nos valores que priorizam, refletindo suas necessidades operacionais e objetivos estratégicos. Por exemplo, setores



industry factors influence how businesses articulate and convey their priorities. Investors, regulators, and legislators can assess long-term orientation, cultural strength, and possible threats more effectively when they are aware of these trends. Companies or industries that neglect essential values may encounter reputational difficulties, diminished investor confidence, and reduced adaptability in a market that increasingly favours value-oriented tactics.

Keywords: Core Values. Fundamental Principal. Listed Company. Identity.

impulsionados pelo relacionamento com o cliente destacam a interpersonalidade e a comunidade, enquanto setores intensivos em capital ou regulamentados se concentram menos nesses valores. Esses resultados demonstram como fatores do setor influenciam a forma como as empresas articulam e transmitem suas prioridades. Investidores, reguladores e legisladores podem avaliar a orientação de longo prazo, a força cultural e as possíveis ameaças de forma mais eficaz quando estão cientes dessas tendências. Empresas ou setores que negligenciam valores essenciais podem enfrentar dificuldades de reputação, diminuição da confiança dos investidores e menor adaptabilidade em um mercado que favorece cada vez mais táticas orientadas a valor.

Palavras-chave: Valores Essenciais. Princípio Fundamental. Empresa Listada. Identidade.

1 INTRODUCTION

Currently, the company landscape is undergoing rapid and frequent changes. The relationship between a company's core value and its corporate identity and culture is becoming evident (Burnes & Jackson, 2011). These values represent the company's beliefs, desires, and commitments. They influence the organization's identity and impact the dynamics of interactions between workers and stakeholders. Recently, there has been an increased recognition of the significance of core values in driving corporate success, engaging employees, and establishing trust with partners and clients. As a result, there is a growing desire to learn more about the descriptive statistics of company core values, including how common, what kinds of values they include, and how well they match across industries and regions.

A company that lacks well-defined core values generally faces difficulties in establishing a robust corporate identity and culture, resulting in negative impacts on organisational unity and employee motivation. In the absence of a strong framework of core values, employees may experience a lack of guidance and meaning, leading to a decline in motivation and involvement (Tewodros, 2016). Moreover, the lack of a cohesive system of beliefs and values can result in incongruous actions and choices that do not conform to a united company plan, so compromising the company's overall effectiveness (Akpa et al., 2021). Establishing explicit core values is not solely focused

on cultivating a favourable work atmosphere, but also on improving operational effectiveness and nurturing a feeling of inclusion among employees, which is essential for sustained achievement.

The first phase entails analysing the descriptive data related to a company's core values, which provides useful insights into the current trends and patterns that impact company cultures (Arifin et al., 2024). By analysing the frequency and distribution of specific values like honesty, innovation, or diversity, researchers can uncover common traits and differences in how organisations prioritise and demonstrate their fundamental beliefs. These trends not only reflect the current priorities of organisations but also demonstrate the evolving business values in response to societal, economic, and technological changes.

The analysis of descriptive statistics pertaining to corporate core values provides companies with the chance to benchmark and compare themselves, allowing them to evaluate their level of alignment with industry standards and peers (Chui et al., 2012; Shat et al., 2023). By doing a comparative analysis, organizations have the ability to identify both the strengths and weaknesses present in their value propositions. This process allows them to target specific chances for improvement or differentiation. Furthermore, benchmarking against industry leaders or best practices can inspire organizations to adopt innovative approaches to value-driven leadership, fostering a culture of continuous learning and adaptation.

2 LITERATURE REVIEW

2.1 Regulatory framework policies

The Securities Commission Malaysia (SC) in Malaysia offers companies direction through its Corporate Governance Blueprint and the Malaysian Code on Corporate Governance (MCCG). Although the main focus of these frameworks is on governance procedures, they also highlight the significance of core values in directing corporate behaviour and decision-making. These frameworks articulate fundamental principles.

The Corporate Governance Blueprint (CGB) is a document that provides a set of principles and suggestions with the goal of improving corporate governance standards in Malaysia (Securities Commission Malaysia, 2011). Although the statement does not

expressly enumerate basic core values, it places significant emphasis on the significance of ethical behaviour, integrity, transparency, and accountability. The framework's guidance on governance structures, risk management, and stakeholder engagement is based on these principles, which demonstrate a dedication to maintaining fundamental values in corporate governance.

The Malaysian Code on Corporate Governance (MCCG) offers recommendations on corporate governance procedures specifically for listed firms in Malaysia (Malaysian Code on Corporate Governance, 2021). While it emphasises certain governance systems, it also highlights the importance of fundamental principles in influencing company culture and behaviour. Principle 1 of the MCCG emphasises the significance of creating a corporate culture that prioritises ethical conduct, integrity, and accountability. In addition, the MCCG promotes the disclosure of organisations' fundamental principles and ethical guidelines to stakeholders, fostering transparency and ensuring alignment with stakeholders' expectations.

Bursa Malaysia, the stock exchange of the country, offers advice on corporate governance through its Corporate Governance Guide (Bursa Malaysia, 2017). Although its main emphasis is on governance structures and procedures, it acknowledges the significance of basic principles in influencing efficient governance. The guide highlights the significance of integrity, transparency, and accountability in corporate governance processes, in accordance with international standards and legal requirements.

2.2 Definition of core values and their importance

Lencioni (2002) describes core values as fundamental principles that govern all acts undertaken by a company in order to accomplish its objectives. According to Bourne et al., (2019), core values are fundamental concepts that influence the culture, behaviour, and decision-making processes of a company. Values dictate behaviour and can assist companies in discerning the distinction between ethical and unethical actions. Core values also aid firms in assessing their progress and achieving their objectives by providing a clear and unambiguous framework. Core values are typically articulated in mission statements, vision statements, and values statements and are anticipated to be adopted by all individuals within the company.

Bourne et al. (2019) performed research with the aim of identifying and mapping the fundamental principles that guide companies. The researchers employed a methodology involving surveys and interviews with important individuals involved in the project. They then examined the data gathered and consolidated the material in a coherent manner. It is recommended to analyse four primary classifications of a company's fundamental principles: interpersonal, character, competency, and community. Interpersonal values prioritise the significance of communication and efficient collaboration. Character values centre around principles of morality, honesty, and accountability. Competence values place a higher importance on skills, knowledge, and expertise. The core principles of the community revolve around the notions of social accountability and environmental durability.

Core values are of significant relevance to companies. Core principles have a significant impact on the company's culture (Maria Assunta & Agostino 2014). Core values play a crucial role in establishing a distinct identity and clear purpose for the firm. Effective communication and embracing of these principles have a significant impact on the behaviour, beliefs, and attitudes of employees. When employees align themselves with the fundamental principles of the organisation, they are more inclined to exhibit dedication, drive, and active involvement in their tasks, resulting in enhanced company performance.

Core values also play a crucial role in directing organisational decision-making by setting ethical standards and implementing compliance protocols that guarantee decisions are made in the company's and its stakeholders' utmost benefit (Klopota et al. 2020). Values, like as integrity, honesty, and ethical behaviour, can impact decision-making by offering ethical principles that employees and management should adhere to. These values provide a solid foundation for making ethical judgements and can serve as a compass for employees and management to ensure their decisions align with the company's beliefs and principles.

Other than that, company citizenship can be significantly influenced by core values. According to Im et al., (2017), companies that give importance to values like teamwork, innovation, and social responsibility have a tendency to attract external applicants who also hold these values. This helps to reinforce the company's culture. This can result in the establishment of cohesive teams dedicated to achieving the company's

goals and objectives, including the efficient execution of corporate social responsibility initiatives.

Finally, the company's structure is significantly influenced by its basic beliefs (Kane-Urrabazo 2006). These principles have a significant impact on the way the firm organises itself by shaping its mission, vision, and goals. This facilitates decision-making, resulting in the development of processes, roles, and hierarchies that are in accordance with these ideals. For instance, if a company places a high importance on innovation and creativity as its fundamental principles, it can choose to implement a flat organisational structure that fosters collaboration and facilitates the exchange of ideas. Alternatively, if a corporation's fundamental principles prioritise hierarchy and rigorous conformity to regulations, the company may choose for a more conventional hierarchical framework. A study conducted by Li et al. , 2020) discovered that companies that highly prioritise corporate social responsibility (CSR) and sustainability are more inclined to give importance to the creation of green governance structures. These structures ensure the efficient execution of green governance activities and the fulfilment of green responsibilities from the top management downwards.

3 METHODOLOGY

3.1 Sample description and data collection

For this preliminary study, a total of 757 companies listed in Bursa Malaysia from several industries are randomly chosen. Table 1 summarizes the sample selection process.

Table 1:

Summary of the sample

Description	Number of companies
The original sample	262
Minus: Unavailability of data	<u>(122)</u>
Final Sample	140

Of the original 262 chosen companies, 122 are removed from this analysis due to the unavailability of data. The final sample comprises a total of 140 companies that have enough and thorough data necessary for the analysis. According to Keller and

Warrack (2005), a sample is deemed representative of the population if it consists of at least 30 companies. The breakdown of sampled companies is listed in Table 2.

Table 2:

Breakdown of sample by industry

Industry	Number of companies
Construction	13
Consumer Product & Services	35
Energy	6
Healthcare	6
Industrial	29
Plantation	5
Property	18
Real Estate Investment Trust	4
Technology	9
Telecommunication & media	4
Transportation	8
Utilities	3
TOTAL	140

The core value statement of these companies is obtained from company report or company website.

3.2 Measurement of core value

Table 3 summarize the core values based Bourne et al. (2019). Each core value is scored based on keywords as listed in Table 3. Then, these scores are summed according to core value categories, whether they lean towards emphasis on competence, character, interpersonal, or community. The scores obtained determine the tendency of the company's core values. These core values are then taken as a percentage. The highest percentage from all four categories is determined as the company's core value. The highest possible score in each category is 1 or 100%. The formula for measuring core values is as follows:

$$\text{Core Value (CV)} = (\sum X_i) / n_i$$

Where: -

n_i = number of items expected for company i ,

X_i = if there is a presence of a core value keyword, 0 if there is no core value, so that $0 \leq CV_i \leq 1$.

Next, each company was categorized using a binary measure based on core value bias. This approach assigns a score of 1 if the company's core values are toward to capability, character, interpersonal or community, and 0 otherwise.

Table 3:

Core Values Keywords (Bourne et al. 2019)

Number	Corporate value category	Keywords
1.	Emphasis on capability. This section covers efficiency and performance.	Financial strength; being global; value-for money; reliability Quality; efficiency; responsiveness; speed; effectiveness; continuous improvement; excellence; expertise; diligence; professionalism; ownership; technology Enterprise; agility; growth; innovation; entrepreneurship; creativity; pragmatism
2.	Emphasis on character (traits). This section focuses on the character adopted by members in their work process	Achievement; winning; challenge Ambition; confidence; enthusiasm; can-do attitude; tenacity; courage; passion; pride; inspiration; resilience; independence; commitment Recognition; learning; individuality; fun; hope; attitude; leadership
3.	Emphasis on interpersonal (social). This section emphasizes relationships within the company.	Collaboration; supporting others; people; teamwork; respect; developing others; empowerment; openness; trust; honesty; integrity; humility; loyalty; compassion, Equality; democracy; fairness; diversity; inclusion; transparency; life quality; communication
4.	Emphasis on community. This section is about responsibility and includes perceptions about other people.	Sustainability; care for environment; social responsibility; ethical practice; health Partnership; community; responsibility; making a difference; accountability Safety; security; compliance; prudence Customers; stakeholders; service; simplicity

4 RESULTS AND ANALYSIS

Table 4:

Emphases Core Values by Industry

Industry	Core Value			
	Emphasis on capability	Emphasis on character	Emphasis on the interpersonal	Emphasis on community
Construction	4	0	4	5
Consumer Product and Service	8	2	15	10
Energy	1	0	2	3
Healthcare	0	0	4	0
Industrial	7	1	13	3
Plantation	0	0	2	3
Property	6	0	6	3

Real Estate Investment				
Truss	0	0	2	2
Technology	0	0	9	0
Telecommunication & Media	0	0	1	2
Transportation	2	1	5	0
Utilities	1	0	1	1

Table 4 illustrates that companies across various industries prioritise distinct core principles. Consumer Product and Service exhibits the most significant emphasis on interpersonal values (15), succeeded by a considerable dedication to community (10) and capabilities (8). The Industrial sector prioritises interpersonal values (13) as its primary strength, followed by a secondary focus on skill (7). Technology exhibits a pronounced focus on interpersonal values (9), whereas Construction maintains a balance between capability (4) and interpersonal values (4), with the greatest score in community (5). Healthcare entirely prioritises interpersonal relationships (4), whereas Transportation similarly favours interpersonal aspects (5) over others. The property demonstrates equal emphasis on capability and interpersonal values, with a score of 6 for both. Minor industries such as Energy, Plantation, Real Estate Investment Trusts, Telecommunication and Media, and Utilities demonstrate lower overall absolute ratings, although nonetheless indicate a propensity towards community or interpersonal elements when applicable.

Across most industries, character is consistently the least prioritised fundamental value, with low emphasis in only a few sectors: Consumer Products and Services (2), Industrial (1), Transportation (1), and Utilities (0). Sectors such as Healthcare, Technology, and Construction exhibit a significant deficiency in the emphasis on character, suggesting it is predominantly under-represented. Capability is notably deficient in various sectors, particularly Healthcare, Plantation, Technology, and Telecommunication & Media, where it registers a score of zero. Certain sectors, including Real Estate Investment Trusts and Plantation, exhibit consistently low figures across all categories, complicating the identification of a singular dominant value. These findings indicate that although interpersonal and community values garner significant attention, character is the most overlooked across companies

5 CONCLUSION AND IMPLICATION OF THE STUDY

The findings indicate that the majority of industries prioritise interpersonal and community values, highlighting the increasing significance of collaboration, stakeholder engagement, and social effect in maintaining competitiveness. The Consumer Product and Service, Industrial, and Technology sectors emphasise human interactions as essential for trust and market significance, whereas the Construction and Property sectors balance competence with community initiatives to uphold credibility and ensure sustained growth. This tendency indicates that industries are progressively acknowledging the significance of robust networks, collaboration, and shared accountability in attaining operational and reputational success.

Character values, on the other hand, is routinely given the least amount of attention in practically every industry, suggesting that moral qualities and ethical strength are frequently viewed as implicit rather than strategic concerns. In industries like healthcare and technology, where interpersonal or community interaction is paramount, capability is also underemphasised, indicating a move away from strictly technical accomplishments and towards relational results. Despite their fundamental significance to sustainable business practices, character and competence are harder to measure than more obvious social or performance-based metrics, which may account for these gaps in reporting and strategic focus.

Comprehending the core values prioritised by companies is beneficial as it offers insight into their strategic priorities, organisational culture, and stakeholder engagement methodologies. A company that constantly emphasises values like interpersonal relationships or community involvement indicates to investors, employees, and customers that these factors influence decision-making and long-term competitiveness. This knowledge enables regulators, legislators, and stakeholders to discern industries that are more proactive in cultivating trust, promoting innovation, or enhancing social responsibility, hence facilitating the development of tailored incentives or governance frameworks. Conversely, when companies neglect essential values such as character or capacity, it may signify a limited emphasis on short-term financial outcomes or compliance, rather than the broader interests of stakeholders. Such deficiencies can subject companies to reputational risk, diminish investor confidence, particularly among ESG-focused funds, and constrain their responsiveness to evolving market demands. The

study provides an early warning system for stakeholders by mapping these tendencies across industries, enabling the identification of areas requiring enhanced focus on cultural development and value-based management to ensure sustainable growth.

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