

# Accounting Centre Accounting Research Series 2017 (ACARS2017)

Faculty of Business, Economics and Accountancy  
Universiti Malaysia Sabah

## COLLECTION OF EXTENDED ABSTRACTS



**UMS**  
UNIVERSITI MALAYSIA SABAH

**COLLECTION OF EXTENDED ABSTRACTS  
FOR  
ACCOUNTING CENTRE  
ACCOUNTING RESEARCH SERIES 2017**

***EDITORS***

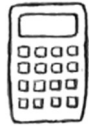
Jainurin Justine  
Andy Lee Chen Hiung  
Junainah Jaidi  
Mathew Kevin Bosi  
Mohd Allif Anwar Abu Bakar  
Sharifah Milda Amirul

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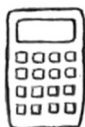
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## ABSTRACTS ACCOUNTING RESEARCH SERIES 2017

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### Environmental Management Accounting Practices and Environmental Performance of Hotel Industry: Evidence from Sabah and Sarawak

**Presenter:** Junainah Jaidi<sup>1</sup>

**Authors:** Junainah Jaidi<sup>1</sup>, Sarminah Samad<sup>2</sup>, Raman Noordin<sup>3</sup>, Jainurin Justine<sup>4</sup>

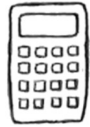
(<sup>1, 3, 4</sup> Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

(<sup>2</sup> Arshad Ayub Graduate School of Business, Universiti Teknologi MARA)

#### Abstract

The aim of this paper is to examine the relationship between environmental management accounting practices and environmental performance. The research model is examined using survey data from the hotel industry. Since the tourism industry which including hotel industry in Sabah and Sarawak are high related with the nature and environment therefore this study only focusing on hotel properties in Sabah and Sarawak. Reliability analysis, exploratory factor analysis and confirmatory factor analysis were used to test the measurement scale while the structural equation modelling is used to examine the relationship between the predictor and the dependent variable. The findings indicate that the key factor have direct effects on the hotel's environmental performance. The environmental management accounting practices significantly and positively related to the environmental performance of hotels in Sabah and Sarawak. These findings could be useful references for hotel management as well as government bodies that are interested in promoting the green practices in a context of developing countries like Malaysia.

**Keywords:** Environmental Performance, Environmental Management Accounting,  
Environmental Management System



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**Corporate Governance and Voluntary Disclosure:  
Empirical Evidence From Sabah and Sarawak, Malaysia**

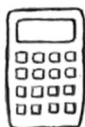
**Presenter:** Sharifah Milda Amirul

**Authors:** Sharija Che Shaari & Sharifah Milda Amirul  
(Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

**Abstract**

This study aims to provide empirical evidence on the level of corporate governance and voluntary disclosure amongst public listed companies having their registered address in Sabah and Sarawak, Malaysia. Secondary data were taken from the annual reports the above public companies listed on Bursa Malaysia and were analyzed using multiple regression. The level of voluntary disclosure is measured based on disclosure score index and the study examines three main variables; (1) board characteristics (2) audit characteristics and (3) ownership structure which are expected to influence the level of voluntary disclosure (LVD) of Sabah and Sarawak listed companies. It is expected that board structure, composition of non-executive director, internal audit composition and external auditor's quality have a positive relationship with the level of voluntary disclosure. Meanwhile, the composition of family members and family ownership are foreseen to have negative influence on the disclosure. Additionally, institutional and state or government ownership are expected to have positive relationship with voluntary disclosure. Findings from this study are significant as it provides useful insights on the characteristics that influenced level of voluntary disclosure of Sabah and Sarawak's listed companies. It is hoped that the findings of this study will contribute to existing literature as well as assist policymakers in Malaysia to update the real impact of corporate governance in Malaysia.

**Keywords:** Corporate Governance, Voluntary Disclosure, Listed Companies, Bursa Malaysia, Companies' Annual Report



## **ABSTRACTS ACCOUNTING RESEARCH SERIES 2017**

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### **Impact of Board Diversity on Corporate Social Responsibility (CSR) on Malaysian Public Listed Companies**

**Presenter:** Suzila binti Mohamed Yusof

**Authors:** Suzila binti Mohamed Yusof, Mohamad bin Jais, Nazaria binti Md. Aris &  
Mohd Waliuddin bin Mohd Razali  
(Faculty of Economics and Business, Universiti Malaysia Sarawak)

#### **Abstract**

The CSR growth in Malaysia is gathered from the combination of traditionally wholesome values, western business influence and pressure on Malaysia's big international companies from first-world business partners (Direct Green, 2016). Malaysian government encourages CSR by contributing initiatives to develop a new business framework. In September 2006, Bursa Malaysia has launched CSR framework as a guideline for the CSR implementation. Consequently, all Malaysian listed companies are required to disclose their CSR activities. Although the implementation is done on a voluntary basis, sixteen (16) different Malaysian companies published Global Reporting Initiative (GRI) reports by July 2012 (Unicef, 2009). Until today, CSR is driven by government incentives, big business; Bursa Malaysia's reporting requirements, or NGO collectives. Board diversity aims to expand the dimension of demographic attributes and characteristics of the boardrooms. The importance of board diversity give an improvement on the effectiveness on decision-making, greater utilization of the talent pool and strengthen the corporate reputation and investor relations by providing the company as a corporate citizen. This research investigates the impact of board diversity on CSR by analyzing whether education, experience, gender, ethnicity and tenure influence CSR. In this research, 200 Malaysian Listed Companies under Bursa Malaysia in the periods of 7 years from 2010 until 2016 will be collected using their annual reports. This research uses panel data regression analysis to test the impact of Board Diversity on CSR. The method of Ordinary Least Square (OLS) and Two-Stage Least Square is used to estimate the regression line. The expected finding of the research is board diversity gives positive impact to CSR in terms of education, experience, gender, ethnicity and tenure. As CSR is a non-mandatory disclosure, this study will conclude whether board diversity approach to CSR is effective or just for the purpose of window dressing sustainability.

**Keywords:** Board Diversity, Corporate Social Responsibility



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**Board Diversity and Financial Sustainability in Charities: A Malaysian Perspective**

**Presenter:** Sharon Cheuk

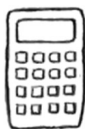
**Authors:** Sharon Cheuk, Esmie O. Nichol, Michael Tinggi & Daw Tin Hla  
(Faculty of Economics and Business, Universiti Malaysia Sarawak)

**Abstract**

Charity failure has been a problem that has been plaguing developed countries and developing alike. In Malaysia, it has been reported that charities faced difficulties in raising donations due to the difficult economic climate. Past research has provided some evidence on the role of board diversity on the financial performance of for-profit organizations. In our study, we examine the impact of board diversity in improving charity financial sustainability.

A sample of 211 active charities (companies limited by guarantee) in 2016 was selected. Data on board diversity (age, gender, race and tenure) as well as financial sustainability were obtained and binary logistic regression via XLSTAT was performed. The findings suggested that director tenure diversity significantly predicts financial sustainability of charities. Age, race and ethnic diversity were found to be not significant. Implications of the study's findings and contributions therefrom were further discussed.

**Keywords:** Financial Sustainability, Board Diversity, Charities, Malaysia



## **ABSTRACTS**

### **ACCOUNTING RESEARCH SERIES 2017**

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#### **Efficient Asset Management and Firms' Growth in Construction Sector, Malaysia**

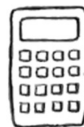
**Presenter:** Nazaria Binti Md. Aris

**Authors:** Nazaria Binti Md. Aris, Mohamad bin Jais, Suzila Mohamed Yusof & Daw Tin Hla  
(Faculty of Economics and Business, Universiti Malaysia Sarawak)

#### **Abstract**

Failures in the construction industry not only faced by developing countries, but worldwide. The failure scenario also happens to construction industry in Malaysia. The failure rate of the construction companies in Malaysia is also high. According to the Construction Industry Development Board, ~ Malaysia (CZDB), from January 2006 to August 2008 a total of 11,321 construction companies was classified under dormant and non-active. There are very few listed successful contractors in Malaysia and most of the construction projects cannot not be completed within the original schedule. As a result, the firms in the industry perform poorly, thus resulting in business failure. In previous studies, the impact of financial factors in the failure of construction projects, poor financial management and lack of capital are the main determinants of construction failure. Therefore, the main aim of this study is to analyse the efficient asset management and its impact on the growth of firm listed on the market of construction sector, Bursa Malaysia. This study empirically analyses the association between efficient asset management and firms' growth by using a sample size of 82 construction firms listed in Bursa Malaysia, to cover the period from 2010-2015. This study uses panel data regression analysis to test the influences of asset management on the firms' growth. Method of Ordinary Least Square (OLS) is used to estimate the regression line. The research focuses on both current and non-current asset management issues to construct the best-suited model of asset management and firms' growth based on the asset management theory. The proposed finding of this study is to provide sound asset management model and resource based management formulation to help construction companies' sustainable growth. Faced with volatile environment, this study contributes to some extent to the empowerment of Malaysian construction companies in term of surviving in economy.

**Keywords:** Efficient Asset Management, Firms' Growth, Construction Sector



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**Perception Factors: An Examination of Student's Performance  
in Introductory Accounting Subject in Universiti Malaysia Sabah**

**Presenter:** Mohd Allif Anwar Abu Bakar

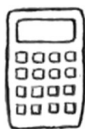
**Authors:** Mohd Allif Anwar Abu Bakar, Sharifah Milda Amirul, Nur Shahida Ab. Fatah,  
Noraizan Ripain & Mathew Kevin Bosi  
(Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

**Abstract**

Researchers worldwide argue that student information is especially pertinent in the first year of study when the transition from high school to university may have an influence on student performance. Public and private university in Malaysia have make it compulsory for example business, economic and social science discipline to enroll accounting as their core faculty subject in their first and second year studies. These students have no choice unless to pass this introductory accounting course for their graduation. Students' pre-conceive perception of accounting as difficult, unpalatable neither unrealizable has created a great challenges for the accounting educators in their attempt to increase their passing rate. Hence, this study attempt to investigate the perception factors in achievement levels of non-accounting students in an introductory accounting subject in Universiti Malaysia Sabah.

A purposive sample consisted of students registered for the particular module of Introductory Accounting Subject in Universiti Malaysia Sabah will be investigated, with the exception of student with majoring in accounting. This study provide valuable information to the university (including lecturers, staff administrators and faculty) in establishing a best platform to promote best learning environment particularly the accounting subject among non accounting student. Nevertheless, factors that influence their success rate will be highlighted so as to provide references to other higher education institution in Malaysia.

**Keywords:** Perception Factors, Student's Performance, Non Accounting Students,  
Introductory Accounting Subject



## **ABSTRACTS ACCOUNTING RESEARCH SERIES 2017**

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### **Enterprise Resource Planning (ERP) Adoption: Case Studies of Small and Medium Enterprises in Sabah, Malaysia**

**Presenter:** Nur Shahida Ab. Fatah

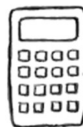
**Authors:** Sharifah Milda Amirul, Mohd Allif Anwar Abu Bakar, Rasid Mail &  
Nur Shahida Ab. Fatah

(Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

#### **Abstract**

Rapid development in information technology has dramatically changed how business transactions and information are being processed and managed. Amongst others, through this advance technology most businesses have been adopting the Enterprise Resource Planning (ERP) in managing business resources and information. In fact, this ERP has become a must for organization due to the advantages and benefits it offers. For instance, with ERP, the needs to manually enter the data and information is reduced, thus indirectly helps in reducing administrative and operations costs. This study attempts to investigate issues pertaining to ERP implementation, specifically on the computerized accounting software adoption among Small and Medium Enterprises (SMEs), in Sabah, Malaysia. The study applies case analysis of six (6) SMEs in Sabah and the results show that five (5) of the SMEs decided to adopt computerized accounting software in respond to Government Service Tax (GST) execution. While implementing the ERP, the study noted that lacks of communication within the firm during initial stage of project implementation, illiteracy of information system knowledge as well as lack of vendor supports are found to be the main obstacles in ERP adoption. Thus, it is signaling that the strategic planning, operational planning, and vendor supports are significant for a success ERP implementation.

**Keywords:** Enterprise Resource Planning, Computerized Accounting Software, SMEs, GST, Sabah, Malaysia



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**The Implementation of Accrual Accounting System  
in Malaysian Federal and State Governments**

**Presenter:** Noor Kaziemah Sariman

**Authors:** Noor Kaziemah Sariman, Rozaidy Mahadi, Rasid Mail & Raman Noordin  
(Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

**Abstract**

The traditional cash accounting system suffers from few weaknesses such as it does not give the true picture of income and operation costs, thereby producing less quality of management information. In order for a government to operate efficiently and effectively, high quality and reliable information are needed to assist decision-making process. Thus, the change towards accrual accounting is deemed as necessary to combat the weaknesses of cash accounting. The study aims to give an overview of the implementation of accrual accounting in Malaysian federal and state governments. The study focuses on four domains namely (1) law and regulations; (2) accounting standards; (3) process and technology; and (4) human resources. The study also explores on the motivations to move from the old cash accounting system to the new accrual accounting system. The study adopts a qualitative approach through interviews and review of internal documents, government reports or statements. It was found that the implementation of accrual accounting among federal and state governments in Malaysia are almost similar and do not have a huge difference. Both governments must follow the same laws and regulations, and use the same accounting standards. However, there is a distinction in accrual accounting systems that will be used among federal and state governments. Additionally, employees from both federal and state governments accepted the change, due to several reasons such as supporting the aspiration of Malaysia to become a developed nation. However, the implementation has been extended for a number of times. Consequently, the delay of implementation occurred at the federal level has led to the delay of implementation in the state governments. Therefore, this study offers a valuable lesson by providing an overview of the implementation of accrual accounting in different levels of governments in Malaysia.

**Keywords:** Public Sector Accounting, Accrual Accounting, Management Accounting Change



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### Risk Disclosure between Islamic and Conventional Banks in Malaysia

**Presenter:** Ag. Kaifah Riyad bin Kiflee

**Author:** Ag. Kaifah Riyad bin Kiflee  
(Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah)

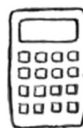
#### Abstract


The aim of this study is to investigate the relationship between risk disclosure and determinant by Islamic and conventional bank in Malaysian bank sector. The objective of this paper is to investigate whether Islamic bank is disclosing more risk information than conventional bank and whether performance and regulation will give an impact to disclosure made by respective bank. Recently, the number of risk disclosure in Malaysia indicated a positive trend among listed company. However, study found negative association between performance and risk disclosure by both bank. At the same time, there is evidence show that there is relationship between regulation and disclosure made by bank in Malaysia.

Total of 32 banks consist of Islamic and conventional bank being analysed by using textual analysis method in order to prove the assumptions. This study will contribute to study of risk disclosure in Malaysian banking. The regulators, bank manager and bank supervisory should look upon the positive contribution of risk disclosure and symmetry of risk information to the potential investor and stakeholder. Future research is encouraged to look deeper into other factor who might affect risk disclosure and new risk framework who might able to help researcher in understanding risk disclosure.

**Keywords:** Risk Disclosure, Performance, Regulation, Textual Analysis

## NOTES

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## ACKNOWLEDGEMENT

The Organising Committee wishes to thank the Management, Staff and Students of Universiti Malaysia Sabah particularly the Faculty of Business, Economics and Accountancy for the support and encouragement in organising the Accounting Centre Accounting Research Series 2017 (ACARS2017). Our heartfelt appreciation goes to all participants who contributed their research and time for this ACARS. We look forward to more collaboration in the future.

