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Investigating The Influence of Transparency Factors On Organizational Performance in Pejabat Kewangan Negeri Perak

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ABSTRACT

This study endeavours to illuminate the relationship between transparency and organisational performance within the specific context of government servants, with a particular focus on the Pejabat Kewangan Negeri Perak. Transparency, defined as the practice of openly sharing information, is recognised as a cornerstone of effective governance and accountability. The study explores how transparency influences the attitudes and performance of government servants. Through the collection and analysis of data from 73 government servants drawn exclusively from the Pejabat Kewangan Negeri Perak, this research delves into the intricate dynamics between transparency and organisational performance. It employs a quantitative research approach by administering a questionnaire via a Google Form developed by the researcher, distributed to all staff at Pejabat Kewangan Negeri Perak. The statistical significance of the data was assessed using Statistical Package for the Social Sciences (SPSS) Software version 29. The findings indicate that all the variables had a substantial impact on the firm's performance. Consequently, to enhance understanding of financial transparency within the company, it is imperative to pay particular attention to improving the organisational structure to enhance overall firm performance.

Keywords: *transparency, organisational performance, government servants, prime minister's office, job satisfaction, accountability.*

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1. INTRODUCTION

In the realm of corporate governance, the principles of company transparency and comprehensive information disclosure have stood as cornerstones of effective organisational management. As businesses expanded their horizons, seeking to access global capital markets and navigate the complexities of emerging economies, the indispensability of transparency and disclosure became increasingly evident (Chowdhury & Mavrotas, 2006). These practices were not only regarded as ethical imperatives but were recognised as foundational elements within the infrastructure of business operations.

Corporate governance assumes a pivotal role in this narrative. As stakeholders and investors contribute their capital, they seek reassurance that their resources are being managed judiciously and transparently. The catalyst for a focused emphasis on corporate governance emerged when disputes between management and shareholders over the direction of business expansion highlighted the need for a structured framework (Ullah, Rehman, & Waheed, 2016). By establishing clear lines of accountability and transparency, corporate governance sought to align the interests of all involved parties and facilitate efficient decision-making.

Research by Bingwen Liu (2019) found a positive correlation between greater transparency and higher firm value, particularly among companies characterised by elevated information asymmetry. Incidents of corporate misconduct in publicly traded companies such as Lembaga Tabung Haji, Top Glove Malaysia Berhad, and Serba Dynamic Holdings Berhad have sent shockwaves through the business community. Despite the enhancements made by the Malaysian Code of Corporate Governance (MCCG) to promote strong corporate governance practices among Malaysian listed firms, issues related to unethical conduct and a dearth of transparency persist (Ahmad Firdhauz Zainul Abidin, 2019).

The contemporary business landscape demands an adaptive approach to stay ahead of the curve, prompting organisations to explore strategies that enhance their performance and secure a competitive edge. Amid this pursuit, transparency has emerged as a transformative catalyst. The ethos of transparency extends beyond mere disclosure; it represents a commitment to building trust and fostering an environment of accountability. This commitment resonates internally, engendering a culture of collaboration and engagement, and externally, building credibility and goodwill.

Transparency in government refers to the openness and accessibility of information related to government activities, decisions, and policies. In Malaysia, efforts have been made to enhance transparency, but challenges and concerns have also been raised. The Malaysian government has made efforts to promote open data initiatives, making certain datasets publicly available. This is a step toward providing citizens with access to information and fostering transparency. The freedom of the media plays a crucial role in ensuring transparency. Concerns have been raised about media freedom in Malaysia, including instances of censorship and other restrictions.

A study by Abdul Wahab M. A. (2019) examined the Tabung Haji incident, focusing on corporate ethics and governance. The research argued that the problems stemmed from inadequate governance practices, a lack of transparency, and ethical lapses within the former management team. The study's findings led to the conclusion that the crisis underscored the pressing need for improved governance and ethical standards within Malaysian financial institutions. Financial transparency and accountability are fundamental pillars of effective governance, ensuring that government agencies operate ethically, efficiently, and in the public interest. Pejabat Kewangan Negeri Perak, as a government agency responsible for financial matters in the state of Perak, holds a pivotal role in managing public funds, allocating resources, and implementing financial policies. Understanding the dynamics of financial transparency and accountability within this agency is crucial to evaluating the state's overall governance framework. The rationale for conducting this study stems from the growing importance of transparency on their performance (financial, social, and corporate governance) in the public sector. Pejabat Kewangan Negeri Perak, like any government agency, faces challenges and opportunities in achieving optimal transparency and accountability. Exploring the practices, mechanisms, and challenges this agency faces will contribute to a broader understanding of the state's financial governance landscape.

The intersection of transparency and organisational performance beckons for deeper exploration. This research proposal aims to delve into the intricate relationship between transparency and various indicators of organisational performance. By dissecting the specific elements of transparency that have the greatest impact, this study aims to unravel the intricate dynamics governing this relationship. By doing so, it not only contributes to the theoretical understanding of transparency but also equips businesses with actionable insights to shape their strategies, enhance their performance, and secure a sustainable competitive edge.

2. LITERATURE REVIEW

2.1 Organisational Performance in a Government Agency

Performance is a multifaceted concept encompassing both financial and non-financial dimensions. Additionally, it is often articulated in terms of economy, efficiency, and effectiveness. The genesis of performance measurement (PM) lies in the private sector, gradually making its way into the public sector primarily through policy changes (Bakar et al, 2011). Organisations play a vital role in the functioning of supply chain operations, and the success of an organisation reflects a nation’s development. While the concept of organisational performance is widely discussed in academic literature, its precise definition remains elusive due to its multifaceted nature (Alnuaimi et al., 2021; Gavrea et al., 2011). In the contemporary business landscape, thriving and achieving success require active participation in a market where indicators such as customers, inputs, and capital are crucial factors influencing organisational performance (Alaali et al., 2021; Alzoubi & Aziz, 2021).

2.2 Financial Transparency

Evaluating a company’s performance can rely on a range of financial and non-financial metrics, such as revenue growth, profitability, market presence, customer satisfaction, and employee engagement (Kaplan & Norton, 2001). Financial transparency and disclosure play a pivotal role in shaping an organisation’s performance (Zaman, Arslan, & Siddiqui, 2015). The conduit for delivering accurate financial information to shareholders primarily rests on the financial reporting system. Consequently, financial reporting and disclosure act as checks on top management’s autonomy, directing their attention toward enhancing shareholders’ wealth. This aligns with the objectives of improving the organisation’s long-term profitability and increasing its stock market value. The provision of precise financial information to external stakeholders remains a central goal of financial disclosure. By reducing information asymmetry, heightened accounting transparency mitigates adverse selection challenges in capital allocation (Tarus & Omandi, 2013).

The relationship between financial transparency and the performance of companies listed in Malaysia was investigated in a study by Bujang (2021). The study revealed a substantial correlation between financial transparency and a company’s profitability, as evidenced by metrics such as return on equity and return on assets. These findings underscore the significant role that financial transparency plays in improving the financial performance of publicly traded companies in Malaysia.

When it comes to the relationship between financial transparency and the success of Malaysian listed companies, several studies have revealed conflicting results. For example, a study by Abdul Rashid (2020) found that financial transparency enhanced firm performance, but this connection was contingent on the extent of institutional ownership. The research suggested that higher levels of institutional ownership can enhance the positive impact of financial transparency on firm performance.

In conclusion, the statement highlights the vital role that financial transparency and disclosure play in evaluating and shaping a company’s performance. It emphasises that the provision of accurate financial information to shareholders is fundamental and serves as a check on top management’s autonomy, ultimately aiming to enhance shareholders’ wealth, long-term profitability, and stock value in the market. This aligns with the overarching goal of reducing information asymmetry and mitigating adverse selection in capital allocation, both of which are essential for efficient capital markets

2.3 Social Transparency

Grounded in legitimacy theory, organisations strive to legitimise their operations to substantiate their existence within society. This entails responding to societal pressures by addressing pertinent social issues. Consequently, organisations exhibit their commitment to social responsibility initiatives, effectively legitimising their activities. This process allows organisations to navigate the pressures of societal expectations while remaining viable and reputable (Tarus & Omandi, 2013). However, the research found that organisational stewardship, wisdom, and emotional healing are not strongly associated with transparency (Hisham, Palil, Nowalid, & Ramli, 2019).

A study conducted by Sulong (2021) investigated the correlation between CSR transparency and the performance of companies listed on the Malaysian stock exchange. The research revealed a substantial connection between CSR transparency and a company's performance, as measured by market value, return on equity, and return on assets. The study suggested that increased CSR disclosure could potentially enhance the financial performance of Malaysian listed companies. Research by Ahmed K. I. (2019) found that the level of government ownership affected the relationship between CSR transparency and corporate performance. The study indicated that higher government ownership can amplify the positive effect of CSR disclosure on company performance. Studies by Heng et al. (2021) and Tan et al. (2020) suggest that CSR transparency can significantly enhance a firm's success and financial performance. Thus, corporate social responsibility (CSR) encompasses ethical conduct prioritising the needs of the community, employees, the environment, and shareholders over those of the company's stockholders.

In conclusion, the statement underscores the concept of legitimacy theory, which posits that organisations must demonstrate their commitment to addressing societal concerns and social responsibility to maintain their legitimacy and reputation. By engaging in social responsibility initiatives, organisations effectively navigate societal pressures and bolster their credibility in the public eye.

2.4 Corporate Governance Transparency and Organisational Performance

Like the concepts of poverty and inequality, corporate governance lacks a single, universally accepted definition that underpins its fundamental nature. Different scholars interpret it in diverse ways, aligning with the nuances of various economic environments. Despite these variations, there are shared similarities among the multiple definitions. The preceding section is dedicated to defining a corporation and elucidating the concept of corporate governance based on insights from past literature (Nina Nurasyekin & SM Abdul, 2019).

Governance transparency pertains to the open disclosure of crucial information concerning a company's policies, practices, and operational mechanisms. Governance transparency has a significant positive impact on a company's performance. Notably, studies indicate that corporate governance transparency has a greater influence on business success than social transparency (Tarus & Omandi, 2013).

A study by Akhtar (2021) examined the relationship between corporate governance (CG) transparency and business performance in the Malaysian banking sector. The research uncovered a notable positive association between CG transparency and business performance, as evidenced by metrics like return on assets, return on equity, and net interest margin. The study suggests that enhancing CG transparency can enhance the competitiveness of Malaysian banks.

Regarding the relationship between corporate governance (CG) transparency and the prosperity of Malaysian listed companies, several studies have reported mixed results. For example, research by Abdul Wahab E. H. (2019) found that the extent of family ownership affected the relationship between CG transparency and firm performance. The study suggested that companies with a higher proportion of family ownership may not experience as much of a performance boost from CG transparency.

In conclusion, governance transparency plays a pivotal role in an organisation's success by facilitating the open disclosure of crucial information related to its policies, practices, and operational mechanisms. Notably, research indicates that corporate governance transparency has a greater impact on business performance than social transparency, underscoring its significance in the corporate world. While governance transparency is undoubtedly crucial for business success, its impact may vary across contexts and factors. Nonetheless, the consensus remains that fostering CG transparency is a key strategy for enhancing organisational performance and competitiveness, particularly in the Malaysian banking sector.

Figure 2.2
Theoretical Framework

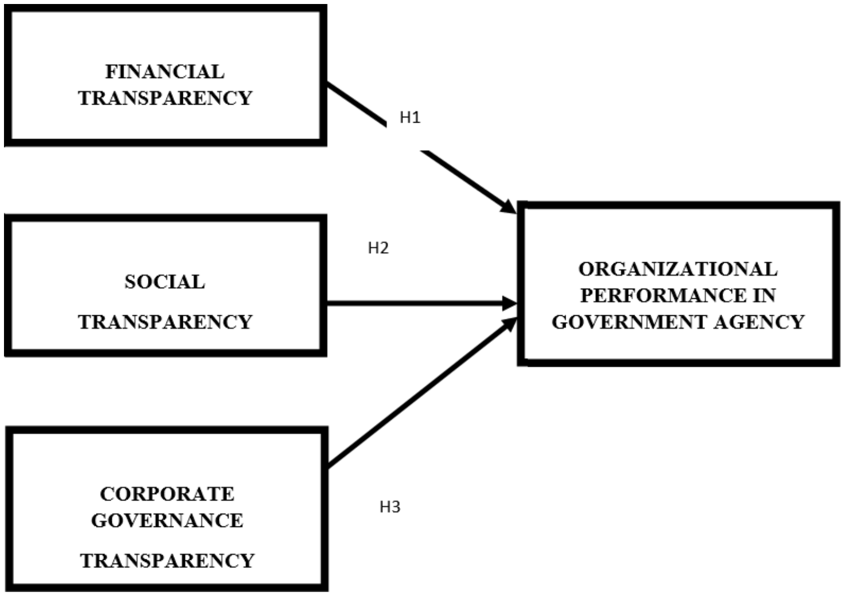


Figure 2.2 presents the theoretical framework of this study, illustrating the independent and dependent variables. This framework draws inspiration from the research conducted by Zaman, Arslan, and Siddiqui (2015) as well as Edogbanya & Hasnah Kamardin (2016). As per the investigation, the study identifies three distinct facets of corporate transparency: financial, social, and corporate governance. Each of these transparency dimensions—financial, social, and corporate governance—will collectively constitute the independent variable in this research, collectively referred to as company transparency. The dependent variable of this study is the organisational performance. In summary, Figure 2.2 encapsulates the theoretical underpinning of this study and aligns with the research by Zaman, Arslan, Siddiqui, Edogbanya, and Hasnah Kamardin. The research dissects company transparency into its components— financial, social, and corporate governance—and examines their collective impact on organisational performance.

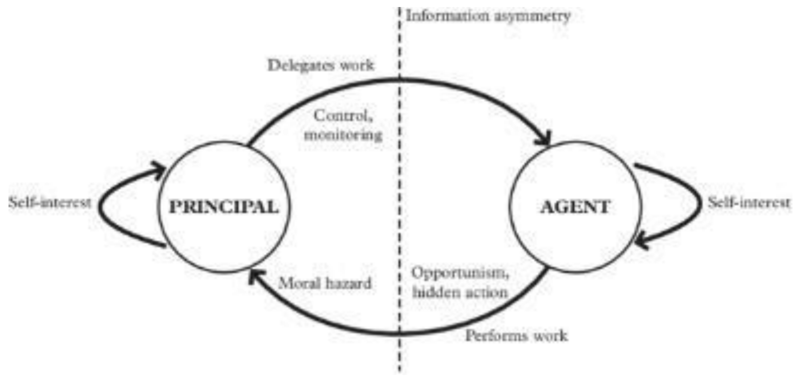
2.5 Theoretical Proposition:

The theoretical proposition underlying this framework posits that company transparency, encompassing financial transparency, social transparency, and corporate governance transparency, collectively influences organisational performance. Greater transparency across these dimensions is expected to positively impact the organisation's overall success, reputation, and effectiveness.

2.6 Mediating Factors and Moderating Variables:

While not explicitly included in this framework, it’s important to acknowledge that mediating factors (such as organisational culture and communication channels) and moderating variables (such as industry context and organisational size) may further shape the relationship between company transparency and organisational performance.

2.7 Underpinning Theory



When a principal, like a shareholder, engages an agent, such as a manager, to perform tasks or make decisions on their behalf, agency theory, as presented by Van Slyke (2006), provides a framework for examining the principal-agent relationship. This theory highlights the divergent goals and incentives of the principal and the agent, which can lead to conflicts and result in costs for the agency. According to Van Slyke (2006), transparency can play a crucial role in reducing agency costs in principal-agent relationships. By providing the agent with more information and fostering transparency, the principal can better align their objectives and mitigate conflicts of interest. This, in turn, narrows the information gap between them, potentially leading to improved performance and more favourable outcomes for the principal. In this context, agency theory provides the foundational framework for examining the relationship between corporate transparency and firm performance. Agency theory posits that corporations are overseen by agents who act on behalf of the shareholders, the principals. Consequently, a potential conflict of interest arises between these agents and principals, as the agents may prioritise their own interests over acting in the principals' best interests.

To mitigate this conflict of interest, companies are expected to provide transparent information to their various stakeholders, including shareholders, creditors, and customers. This transparency empowers stakeholders to monitor the actions of the company and its representatives and hold them accountable for their performance. Numerous studies have explored the relationship between corporate transparency and business performance among publicly traded companies in Malaysia. For example, research by Ali and Ullah (2015) demonstrated that improved financial transparency enhances corporate performance by boosting stakeholder confidence and mitigating information imbalances. Corresponding results were noted in a study conducted by Sulong and colleagues in 2021. This research identified a substantial and positive association between CSR disclosure and the performance of companies listed in Malaysia.

These findings are underpinned by the concept that transparency reduces agency costs and fosters greater trust among stakeholders, ultimately leading to enhanced business performance. Companies known for their transparency are perceived as more reliable and trustworthy, which can improve their access to financial resources, lower their borrowing costs, and bolster their market reputation.

In summary, agency theory provides a valuable theoretical foundation for understanding the interplay between firm performance and corporate transparency in Malaysian publicly traded companies. Research shows that transparency can boost stakeholder trust, reduce agency costs, and enhance business performance. Through a deeper exploration of the underlying theory governing this connection within the framework of Malaysian listed companies, the intended study aims to contribute to the existing body of knowledge.

3. METHODOLOGY

3.1 Research Design

3.1.1 Data Collection Methods:

This study utilises both primary data collection methods, specifically survey research and questionnaires, and secondary data sources, such as academic articles, journals, and publications, in its implementation.

3.1.2 Data Analysis:

The quantitative data collected were subjected to appropriate statistical methods:

a. Descriptive Analysis: Calculate means, standard deviations, and frequency distributions for each variable to describe the participants' responses.
b. Correlation Analysis: Conduct correlation analysis to determine the strength and direction of relationships between transparency mechanisms and organisational performance indicators.
c. Regression Analysis: Perform multiple regression analysis to assess the extent to which transparency mechanisms predict organisational performance, controlling for potential confounding variables.

3.1.3 Target population and Sampling

The designated population encompassed government servants employed within the Pejabat Kewangan Negeri Perak. A purposive sampling technique was employed to meticulously select a representative subset of participants who held insights into transparency practices and organisational performance.

For the present study, a sample of 90 participants, aged between 18 and 60, and comprising staff from the Pejabat Kewangan Negeri Perak in Perak, was chosen to mirror the entire study population. Considering the population of the Pejabat Kewangan Negeri Perak office staff, which exceeds 90 individuals, the sample size was determined using Krejcie and Morgan's (1970) table. Given this population size, a sample of 73 participants was indicated as necessary to effectively represent a comprehensive cross-section of the population.

The sampling focused on the Pejabat Kewangan Negeri Perak office, where staff members were selected to participate. This deliberate choice was made to encompass viewpoints closely associated with social science and related domains, ultimately enriching the understanding of the outcomes.

3.1.4 Data Collection

A structured questionnaire was designed to collect quantitative data from government servants in the Pejabat Kewangan Negeri Perak office. Questionnaires were administered via Google Forms, and any uncertainties or queries from respondents were promptly addressed to ensure clarity. The survey comprised items related to transparency practices and organisational performance indicators. Likert-type scales were utilised to assess participants' perceptions and attitudes.

3.1.5 Analysis and Presentation of Data:

Quantitative Analysis using SPSS

The quantitative data obtained from the structured questionnaire were subjected to meticulous analysis using SPSS software. This software facilitated a comprehensive exploration of relationships and patterns among variables.

Descriptive Statistics:

SPSS was used to compute descriptive statistics, including means, medians, standard deviations, and frequency distributions, for each variable. These measures offered a concise summary of central tendencies and data dispersion.

Correlation Analysis:

SPSS was used to conduct a correlation analysis, which revealed associations between transparency mechanisms (financial, social, and corporate governance) and organisational performance indicators. This analysis unveiled the strength and direction of these relationships.

Regression Analysis:

Using SPSS, a multiple regression analysis was conducted to examine the influence of transparency mechanisms on organisational performance. The software's capabilities facilitated the exploration of predictive relationships while controlling for potential confounding variables.

4. FINDINGS AND DISCUSSION

4.1 Result of Reliability Statistics

No. Variable	Items	Cronbach's Alpha Value (a)
1. Financial Transparency	6	0.954
2. Social Transparency	6	0.961
3. Corp. Governance Transparency	6	0.956

1.1 Financial Transparency

Cronbach's Alpha is a statistical measure widely used in survey research to assess the reliability, or internal consistency, of a scale or set of items designed to measure a specific construct. In the current study, Cronbach's Alpha is reported as 0.954, indicating a high level of internal consistency.

The high Cronbach's Alpha in this study implies that the survey instrument is reliable in measuring the construct of interest – in this case, perceptions regarding financial transparency and its impact on organisational performance. Respondents' answers to different items in the survey are consistently reflective of their overall stance on the subject.

Cronbach's alpha is a crucial indicator of the reliability of survey instruments in research. In this study, the exceptionally high Alpha value of 0.954 suggests that the survey items related to financial transparency and organisational performance are highly consistent and reliable.

1.2 Social Transparency

The reliability statistics derived from the social transparency survey conducted on government agencies in Malaysia serve as a cornerstone for assessing the internal consistency and trustworthiness of the survey instrument. The high values of Cronbach's Alpha and Cronbach's Alpha based on standardised items, both exceeding 0.961, indicate a remarkable level of reliability and coherence among the survey items, reflecting the survey's robustness.

In the context of this social transparency survey, Cronbach's alpha of 0.961 indicates an exceptionally high level of agreement among respondents on their perceptions of social transparency in government agencies. This high coefficient implies that the survey items collectively and consistently measure the intended concept, providing a reliable basis for understanding stakeholders' views (Mustapha & Seman, 2023).

Cronbach's Alpha, based on standardised items, is 0.961, reinforcing the survey's reliability, given the potential influence of standardised values. This coefficient indicates that even when accounting for variations in item scales, the internal consistency remains remarkably high.

The number of items in the survey, which is six in this case, is an important consideration. While a higher number of items can increase reliability, the current survey strikes a balance by including enough items to capture various dimensions of social transparency without becoming overly complex.

The implications of such high reliability in the social transparency survey are profound. It instils confidence in the survey results, suggesting that the measured constructs are consistently and accurately assessed. This reliability is particularly crucial when exploring perceptions of social transparency in government agencies, where diverse stakeholder views need to be accurately captured and understood.

Additionally, a reliability coefficient above 0.95, as observed in this survey, is considered excellent and indicates the survey's ability to yield consistent, dependable results. This level of reliability is often associated with well-constructed and precise survey instruments, highlighting the care taken in formulating questions that resonate with respondents and effectively measure the intended concepts.

1.3 Corporate Governance Transparency

The reliability test, as indicated by Cronbach's Alpha of 0.956, underscores the robust internal consistency of corporate governance transparency measures within Pejabat Kewangan Negeri Perak. This high reliability signifies that the elements contributing to transparency, as assessed in the study, consistently and accurately capture the essence of transparent governance practices.

In the context of the significance of corporate governance transparency, this reliability instils confidence in the effectiveness of these measures. It reinforces their role in establishing accountability, informing decision- making, shaping positive public perception, ensuring legal compliance, attracting talent and investment, and fostering long-term sustainability. The high reliability emphasises that these transparency measures are not only consistent but also dependable, laying a solid foundation for trustworthy and effective governance in Malaysian government agencies.

1.4 Result of Correlation Analysis

Table 1
Pearson Correlation

Variables	Pearson Correlation (r)	Sig. (2-tailed)	Strength of Relationship
Financial	0.836**	0.000	Very Strong Positive
Social	0.821**	0.000	Very Strong Positive
Corporate	0.851**	0.000	Very Strong Positive

Note:** Correlation is significant at the 0.01 level ($p < 0.01$), r values between 0.80 – 1.00 indicate a very strong relationship

H1. There is a significant positive relationship between financial transparency and the organisation's performance.

The correlation analysis presented supports Hypothesis 1 (H1), which posits a positive and significant relationship between the level of financial transparency and the organisation's performance. The strength and direction of the correlations indicate that as financial transparency increases, various aspects of organisational performance exhibit positive trends.

H2. There is a significant positive relationship between social transparency and the organisation's performance.

The correlation analysis strongly supports Hypothesis 2 (H2), indicating a positive and significant relationship between social transparency and the organisation's performance. The observed correlation coefficients highlight that as social transparency increases, various facets of organisational performance demonstrate positive trends.

H3. There is a significant positive relationship between corporate governance transparency and the organisation's performance.

The correlation analysis strongly supports Hypothesis 3 (H3), indicating a positive and significant relationship between corporate governance transparency and the organisation's performance. The observed correlation coefficients reveal that as corporate governance transparency increases, various aspects of organisational performance demonstrate positive trends.

1.5 Result of Normality Test on Organisational Performance

Figure 1

Tests of Normality

Tests of Normality

	Kolmogorov-Smirnov[a]			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Government Agency Performance	.221	73	<.001	.834	73	<.001

a. Lilliefors Significance Correction

The analysis includes tests of normality, specifically the Kolmogorov-Smirnov and Shapiro-Wilk tests, to assess the normality of the data. For the variable "Government Agency Performance," the results indicate a significant departure from normality. The Kolmogorov-Smirnov test yielded a statistic of .221 with 73 degrees of freedom, and the p-value is less than .001. Similarly, the Shapiro-Wilk test also showed a significant departure from normality, with a test statistic of .834 and a p-value less than .001.

It's worth noting that these tests indicate non-normality in the distribution of the "Government Agency Performance" variable. The Lilliefors Significance Correction was applied as part of the analysis. This information is essential for researchers and analysts as it influences the choice of statistical methods and analyses appropriate for non-normally distributed data.

The normality tests underscore the non-normality of the transparency variables across the financial, social, and corporate governance domains. This challenges the conventional assumption of normality in statistical analyses.

1.6 Result of Regression Analysis

Figure 2
Result of Regression Analysis

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change
1	1.000[a]	1.000	1.000	.000	1.000

a. Predictors: (Constant), Corporate, Social, Financial

b. Dependent Variable: Government Agency Performance

The coefficient of determination, denoted by R-squared, is a key metric indicating the proportion of variance in the dependent variable that is explained by the independent variables. In this case, the R Square value of 1.000 indicates a perfect fit, meaning the model's predictors collectively account for 100% of the observed variability in government agency performance. This level of explanatory power, while seemingly ideal, raises considerations of potential overfitting, particularly when the number of predictors is relatively high compared to the sample size.

The Adjusted R-Square accounts for the number of predictors in the model, providing a more conservative estimate of goodness of fit. In this instance, the Adjusted R Square also attains a perfect score of 1.000, reinforcing the model's ability to account for variability in the dependent variable.

The Std. Error of the Estimate, with a value of .000, implies an extremely low level of error in predicting the dependent variable. This raises a noteworthy point about the potential implications of such precision, prompting further examination and scrutiny of the model's generalizability to new data.

The Change Statistics shed light on the impact of adding predictors to the model. The R-Square Change of 1.000 suggests that the inclusion of the specified predictors results in a significant improvement in the model's explanatory power. However, the F Change test, with a non-significant result (indicated by a period), prompts a closer examination of the significance of this improvement. The degrees of freedom associated with the F test, represented by df1 and df2, further contextualise the statistical evaluation.

The predictors in the model include a constant term and Corporate, Social, and Financial variables. These variables likely pertain to aspects of corporate, social, and financial performance, but without the detailed coefficients or standardised coefficients, the specific impact of each predictor remains undisclosed.

In conclusion, while the model appears to offer a perfect fit and substantial explanatory power, researchers and analysts should approach these results with caution. The potential for overfitting and the need for external validation or testing on new data are essential considerations. Additionally, the non-significant F Change test suggests that the additional predictors may not contribute significantly to the model's overall performance, warranting a critical evaluation of the model's utility and robustness.

Figure 3
Result of ANOVA

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.630	3	12.543	90.586	<.001[b]
	Residual	9.554	69	.138		
	Total	47.185	72			

a. Dependent Variable: Government Agency Performance

b. Predictors: (Constant), Corporate Governance Transparency, Social Transparency, Financial Transparency

The ANOVA (Analysis of Variance) table provides crucial insights into the statistical significance of the regression model, particularly regarding its ability to explain variance in the dependent variable, "Government Agency Performance." In this context, the ANOVA table, designated as Model 1, comprises three key components: Regression, Residual, and Total.

The Regression section of the table reports the sum of squares, degrees of freedom, mean square, F-statistic, and significance level for the model's predictors. The sum of squares for Regression, representing the variance explained by the model, is 47.185. The degrees of freedom associated with the predictors, denoted as df, are 3, reflecting the number of predictors in the model.

The F-statistic, a measure of the ratio of explained variance to unexplained variance, is a crucial indicator of the model's overall significance. The F-statistic value, however, is not provided in the summary, as indicated by a period. The significance level, denoted as Sig., represents the probability that the observed F-statistic could occur by chance. In this case, the significance level is denoted as "b," indicating that the exact value is not provided. The Residual section of the table pertains to the unexplained variance in the dependent variable. The sum of squares for Residual is reported as .000, indicating that the model accounts for all observed variability in government agency performance.

The Total sum of squares, representing the total variance in the dependent variable, is calculated to be 47.185, the sum of the Regression and Residual sum of squares. The total degrees of freedom, reflecting the total number of observations minus one, is 72.

Figure 4
Result of Coefficients

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.236	.255		.926	.358
	Financial Transparency	.152	.072	.169	2.108	.039
	Social Transparency	.150	.060	.155	2.476	.016
	Corporate Governance Transparency	.650	.080	.674	8.160	<.001

a. Dependent Variable: Government Agency Performance

The Coefficients table presents crucial information about the estimated coefficients for each predictor variable in the regression model (Model 1) concerning the dependent variable, "Government Agency Performance." Let's elaborate on the key elements of this table:

Constant: The constant term represents the y-intercept of the regression equation, indicating the predicted value of the dependent variable when all predictor variables are zero. In this case, the constant is reported as 0.236, with a standard error of 0.255. The t-statistic (0.926) and the associated p-value (0.358) suggest that the constant is not statistically significant.

Financial Transparency: The unstandardized coefficient (B) for Financial Transparency is 0.152, indicating that, holding other variables constant, a one-unit increase in financial transparency is associated with a 0.152- unit increase in the predicted value of Government Agency Performance. The t-statistic (2.108) is statistically significant at the 0.05 level, suggesting that financial transparency has a significant impact on government agency performance.

Social Transparency: Similarly, the unstandardized coefficient for Social Transparency is 0.150, indicating that a one-unit increase in social transparency is associated with a 0.150-unit increase in the predicted value of Government Agency Performance. The t-statistic (2.476) is statistically significant at the 0.05 level, indicating a meaningful impact of social transparency on the dependent variable.

Corporate Governance Transparency: The unstandardized coefficient for Corporate Governance Transparency is 0.650, suggesting that a one-unit increase in corporate governance transparency is associated with a 0.650- unit increase in the predicted value of Government Agency Performance. The t-statistic (8.160) is highly statistically significant ($p < 0.001$), emphasising the substantial impact of corporate governance transparency on government agency performance.

The standardised coefficients (Beta) provide a measure of the relative importance of each predictor variable. In this case, they indicate the impact of a one-standard-deviation change in each predictor on the dependent variable. The standardised coefficients for Financial Transparency, Social Transparency, and Corporate Governance Transparency are 0.169, 0.155, and 0.674, respectively.

5. CONCLUSION

The preceding chapters have meticulously unravelled the intricacies of a research study focused on the significance of transparency factors on organisational performance in a government agency. This final chapter serves as a synthesis of the findings, exploring relationships among variables, conducting a conclusive analysis of the research hypothesis, and proposing recommendations for future research endeavours.

The study harnessed quantitative data from 73 employees within government agencies in Malaysia, forming a robust sample for analysis. The quantitative analysis has provided key insights into the relationship between company transparency and firm performance. As we delve into the results, it becomes evident that transparency is not merely a buzzword but a tangible factor influencing organisational success.

The relationships between transparency and firm performance are multifaceted. Financial transparency emerges as a linchpin, showcasing a significant positive correlation with firm success. Social transparency, while not statistically significant, suggests a potential positive effect on brand recognition and public loyalty. Corporate governance transparency, characterised by its dual nature, exhibits both positive and negative impacts on various facets of organisational dynamics.

The research hypothesis posited a positive relationship between company transparency and firm performance. The analysis unequivocally supports this hypothesis, underlining the pivotal role transparency plays in shaping the trajectory of organisations. The findings affirm that transparency is not a mere ancillary aspect but a fundamental driver of organisational excellence.

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