THE MODERATING EFFECT OF CORPORATE CULTURE BETWEEN THE RELATIONSHIP OF CORPORATE GOVERNANCE INDICATORS AND FIRMS PERFORMANCE IN AUTOMOBILE INDUSTRY IN PAKISTAN

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A Project submitted to Department of Management Studies, Bahria Business School, Bahria University – Karachi Campus, in partial fulfillment of the requirement for BS A&F Degree



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1st Half Semester Progress Report

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DECLARATION OF AUTHENTICATION

I, hereby, declare that no portion of the work referred to in this project has been submitted in support of any application for another degree or qualification of this university or any other institution of learning.

Student's Signature:

And

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ABSTRACT

This project examines the moderating impact of corporate culture on the relationship between corporate governance indicators and firm performance within the automobile industry in Pakistan. The significance of corporate governance in enhancing firm performance and ensuring sustainable growth has gained global attention. However, the effect of corporate governance on firm performance may differ depending on the prevailing corporate culture within an organization. The study focuses on Pakistan's automobile industry, a crucial sector that contributes to the country's economic growth and development. By exploring the interplay between corporate governance indicators, corporate culture, and firm performance, this research aims to provide valuable insights into the complex dynamics within the industry. To achieve the research objectives, a mixed-method approach is employed. Quantitative analysis is conducted using secondary data collected from financial reports, corporate governance disclosures, and other relevant sources. Various corporate governance indicators, including board structure, ownership structure, audit quality, and disclosure practices, are utilized. Firm performance is evaluated using financial ratios such as return on assets, return on equity, and earnings per share. In addition to quantitative analysis, qualitative data is gathered through interviews and surveys to assess the corporate culture prevalent in the selected automobile firms. Factors such as organizational values, leadership styles, employee empowerment, and ethical practices are examined to understand the influence of corporate culture on the relationship between corporate governance and firm performance. The findings of this research contributes to both theoretical and practical realms. Theoretically, it enhances our understanding of the moderating role of corporate culture in the relationship between corporate governance and firm performance. From a practical standpoint, the study provides insights to industry practitioners, policymakers, and regulators on the importance of aligning corporate culture with corporate governance practices to achieve sustainable growth and gain a competitive advantage. Overall, this thesis aims to explain the very complicated relationship between corporate governance, corporate culture, and firm performance in Pakistan's automobile industry. Through the analysis of these factors, the research contributes to the existing body of knowledge and offer recommendations for improving corporate governance practices and fostering a conducive corporate culture within the industry

Keywords: Corporate governance, Firm performance, Corporate culture, Board Meeting, Meeting size, Meeting committee, Meeting Independence, Meeting diversity